

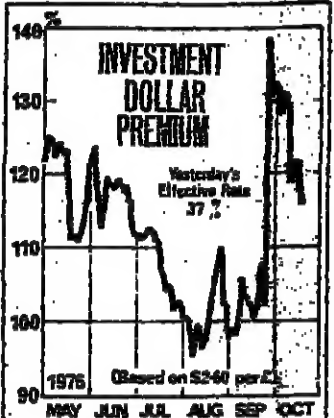
NEWS SUMMARY

Lebanon fighting intensifies on South

Lebanon fighting intensifies on South. Christian forces have been reported to have taken control of the town of Tyre, 100 miles south of Beirut. The fighting is part of a larger conflict between Christian and Muslim forces in Lebanon.

Sterling down; equities mixed

STERLING fell 63 points to \$1.6485; its weighted depreciation widened to 45.1 (44.8) per cent. The dollar's widened to 2.42 (2.39).
GILTS were steady. The Government Securities Index gained 0.01 to 57.16.
EQUITIES marked time. The FT 30-share index fell 1.2 to 302.4, while the All-Share was 0.6 per cent. up at 127.46. The



Investment currency premium

Investment currency premium fell 1.5 points to 116 per cent. an effective rate of 27 per cent.
GOLD fell \$2 to \$1154.
WALL STREET was 0.5 up at 915.06 near the close.
U.S. TREASURY Bill rates: three 4.797 (4.905) per cent.; six 4.911 (5.024).

Ford lay-offs decision

FORD MOTOR will decide today whether to lay off 1,000 dayshift workers at Dagenham. Seven of ten dismissed door-hangers arrived at work and prevented other men taking over their former jobs, thus bringing

er victim's her baby

man shot in the back by a man on Monday gave birth to a child in a Belfast last night. At Belfast Commission five Black soldiers were sent for trial with 24 offences relating to alleged planting of ammunition in a Catholic

li held

sher Yadin, recently by the Israeli Government as next central bank have been arrested in tv on suspicion of bribes and other offences.

in the eye

day that General George, chairman of the U.S. Staff of Staff, said that "all they're got is and admirals and the Royal Company of a paraded before the a Scotland with bows and and short Roman swords occasion of their 300th Picture, Page 10

son probe

quiries into the Poulson have been concluded and it be no further probe. Mr. Sam Silkin, Attorney-General told the Commons. Page

ly...

in Cordle, Conservative Bournemouth East, has a High Court libel writ the Observer newspaper, martial hearing accusa- of theft against the ter Guards director of threw out seven of 14 against him.

old Wilson was unani-

elect to succeed the Harwood as president e Royal Shakespeare

F PRICE CHANGES YESTERDAY

in pence unless otherwise indicated.

| RISERS | FALLS |
|-----------------------|---------|
| Sun Alliance | 318 + 8 |
| Tate and Lyle | 216 + 4 |
| Thomson Org. | 303 + 7 |
| Tollanach Cobbold .. | 145 + 5 |
| Vesper Thornycroft .. | 72 + 5 |
| Zenith Carburettor .. | 36 + 4 |
| Malayalam Plants .. | 101 + 2 |
| BP | 647 + 9 |

| STEELS | FALLS |
|------------------------|----------|
| (B.) | 88 + 6 |
| Widby | 158 + 7 |
| Duffus | 153 + 6 |
| Siddeley | 372 + 20 |
| Jonat Paint | 240 + 10 |
| nds | 162 + 4 |
| (S.B.) | 92 + 14 |
| Cattle Prods. 139 + 54 | |
| (S.) | 41 + 4 |
| Assurance | 166 + 10 |
| nd Jackson | 54 + 4 |
| lectronic | 183 + 5 |

COMPANIES

HAWKER SIDDELEY Group first-half pre-tax profit, excluding results of the Canadian subsidiary, rose to £38.78m. (£24.98m.). Turnover increased to £385m. (£287m.). Page 26 and Lex
FURNESS WITBY first-half pre-tax profit rose to £11.42m. (£9.88m.). Full year results are expected to be significantly better than last year's £14.14m. profit. Page 26 and Lex
UDS GROUP first-half pre-tax profit fell to £3.37m. (£5.65m.). Increased turnover of £128.05m. (£122.77m.). Page 24 and Lex

Iran buys 25% stake in Krupp parent company

BY ROBERT GRAHAM

TEHRAN, Oct. 19. Iran has concluded negotiations to purchase a 25.01 per cent. stake in the large West German industrial company Fried. Krupp GmbH. This is the first time in the German group's 165-year history that foreign interests have been allowed to buy into the parent company.

The deal was signed to-night in Tehran by Mr. Hushang Ansari, the Iranian Minister for Economic and Financial Affairs, and Herr Berthold Seitz, supervisory Board chairman of Krupp. The Iranian participation will involve a capital increase for Fried. Krupp but it is not yet clear by how much the present share capital of DM500m. (\$125m.) will be raised and what Iran will pay for her stake. The equity stake will give Iran a blocking minority vote in the Krupp supervisory Board. Herr Hans Friedrichs, West German Economics Minister, who is at a trade fair in Tehran, has indicated that he will have no objections to the transaction. He did, however, add that the Iranian involvement would have to be looked at by the West German cartel authorities.

In 1974 Iran bought a 25.04 per cent. stake in a Krupp sister company, the steelworks Krupp Huttenwerke. No price has ever been disclosed for this deal, and again in to-day's announcement here the cost of Iran's investment was not revealed. It was merely stated that the investment would take place via a capital increase in Fried. Krupp GmbH. The shares have been bought from a foundation grouping family interests—the Alfred Krupp von Bohlen und Halbach Foundation. When Iran bought into the sister company shares were also acquired from a family interest, the Quandt family. The Shah has always wanted to buy into the parent company but when he initially made the approach in 1974 he encountered considerable legal problems. These related to the foundation and the presence of foreign shareholders. Presumably all these problems have been overcome, though completion of the transaction will be subject to the formal approval of the appropriate authorities of the two countries.

Announcing the deal to-night, a statement said that the Government of Iran and the foundation will jointly determine the policies and actions of Fried. Krupp GmbH. This is the largest stake acquired by Iran in any foreign company. Her other principal foreign investment is a 25 per cent. interest in Deutsche Babcock Wilcox, bought for DM178m. in 1975.

This latest deal has come as a surprise, and follows the collapse of a proposed 30 per cent. Iranian stake for \$150m. in Occidental Oil. Three months ago Iran revived interest in buying into a Krupp subsidiary in Brazil, Krupp Metalurgica Campo Limpo. The broader discussions for a purchase into the parent company were a closely guarded secret and would now appear to supersede any negotiations to acquire stakes in subsidiaries.

Japanese promise moves to help British trade

BY ADRIAN HAMILTON

THE DELEGATION of Japanese representatives to the Tokyo equivalent of the CBI left London last night, giving assurances that they would do their best to see that Japan opened its doors wider to British exports. Last year Britain had a £360m. trade deficit with Japan. In talks with the CBI and in an hour's meeting with the Prime Minister, the emphasis was placed firmly on reverse trade what would happen if the trade gap widened further over the coming years.

Lord Watkinson, the confederation's president, after the talks, "The CBI does not want to be forced into further import restrictions."

"But, as the Japanese know, there is a good deal of pressure in this country to impose import restrictions. If there is no access for British goods in Japan, then gradually the pressure over here could grow. We might not like it, but import controls would happen."

The Japanese team from Keidanren, the Japanese Federation, was in London officially at the invitation of the CBI, and its members' time was spent mostly in a series of discussions at the CBI headquarters, at which they were questioned closely by leading British businessmen on trade practices.

Following the talks, the CBI and Keidanren issued a joint communique in which they emphatically reiterated the need to rectify the overall imbalance through mutual efforts in the course of expanding two-way trade, particularly by an increase of British exports to Japan.

T&C sells half Australia assets

BY QUENTIN GUIRDHAM, PROPERTY CORRESPONDENT

TOWN AND CITY Properties has brought its total sales in the last two years to more than £200m. Mr. Jeffrey Sterling, chairman, gave yesterday's annual meeting news of an agreement on £28m. worth of property sales in Australia.

He and Mr. Bruce MacPhail, managing director, have just returned from Australia after negotiating the deal involving nearly half the group's portfolio. Neither would give the identity of the purchaser, since contracts have not yet been exchanged, but said it was a big Australian investment institution.

Among the chief elements in the sale are residential shopping centres, of which Town and City had been one of the pioneers in Australia.

Its remaining assets in the country include two new and, so far, largely unlet office blocks in Sydney and another 18-storey Sydney development on which construction was stopped to await

Growth in U.S. rises at annual rate of 4%

By Jurek Marcin, U.S. Editor

WASHINGTON, Oct. 19.

THE U.S. gross national product grew at an annual rate of only 4 per cent. in real terms in the third quarter of this year, slower than in the previous three months and less than half the increase of the first quarter.

However, the Administration was able to report that the rate of inflation, as measured by the GNP price deflator, had fallen to a 4.4 per cent. annual rate, from the 5.2 per cent. of the April-June period.

The slowdown in the growth of GNP was, according to the Commerce Department, entirely due to slower build-up of inventories. But Dr. John Kendrick, the Department's chief economist, suggested this morning that the impact of the Federal Reserve's monetary strike was an adverse factor.

Dr. Kendrick was anxious to point out that real final sales in the quarter had risen by 4.4 per cent. on an annual basis, a better performance than the 2.7 per cent. and 4.2 per cent. of the first two quarters. He argued that continuation of this trend should lead to a faster rate of growth in the first half because of inventory build-ups, but slackening in the third quarter.

Hopeful

There was evidence that the last quarter would be much better, and he suggested that an annual growth rate of 5 per cent. in the last three months could be achieved.

Specifically, he pointed to latest Commerce Department surveys that showed a marked increase in capital investment intentions, partly because of the recent decline in interest rates. Also, he expected a sizeable increase in personal income.

His guarded optimism notwithstanding, Dr. Kendrick admitted disappointment at the third-quarter performance. He duly noted that fixed investment was running at historically low levels for this stage of a recovery and expansion, and that the Administration had expected State and local governments to spend more than they did.

The third-quarter figures showed a marked drop in the savings rate, from 7.1 per cent. to 6.4 per cent., which has some economists suggesting that even the lower level of economic expansion was being underpinned by the savings accounts of the average citizen.

Dr. Kendrick said the evidence suggested that the savings fall was almost entirely attributable to the drop in farmers' incomes.

His guarded optimism notwithstanding, Dr. Kendrick admitted disappointment at the third-quarter performance. He duly noted that fixed investment was running at historically low levels for this stage of a recovery and expansion, and that the Administration had expected State and local governments to spend more than they did.

The third-quarter figures showed a marked drop in the savings rate, from 7.1 per cent. to 6.4 per cent., which has some economists suggesting that even the lower level of economic expansion was being underpinned by the savings accounts of the average citizen.

Dr. Kendrick said the evidence suggested that the savings fall was almost entirely attributable to the drop in farmers' incomes.

His guarded optimism notwithstanding, Dr. Kendrick admitted disappointment at the third-quarter performance. He duly noted that fixed investment was running at historically low levels for this stage of a recovery and expansion, and that the Administration had expected State and local governments to spend more than they did.

The third-quarter figures showed a marked drop in the savings rate, from 7.1 per cent. to 6.4 per cent., which has some economists suggesting that even the lower level of economic expansion was being underpinned by the savings accounts of the average citizen.

Dr. Kendrick said the evidence suggested that the savings fall was almost entirely attributable to the drop in farmers' incomes.

His guarded optimism notwithstanding, Dr. Kendrick admitted disappointment at the third-quarter performance. He duly noted that fixed investment was running at historically low levels for this stage of a recovery and expansion, and that the Administration had expected State and local governments to spend more than they did.

The third-quarter figures showed a marked drop in the savings rate, from 7.1 per cent. to 6.4 per cent., which has some economists suggesting that even the lower level of economic expansion was being underpinned by the savings accounts of the average citizen.

Dr. Kendrick said the evidence suggested that the savings fall was almost entirely attributable to the drop in farmers' incomes.

His guarded optimism notwithstanding, Dr. Kendrick admitted disappointment at the third-quarter performance. He duly noted that fixed investment was running at historically low levels for this stage of a recovery and expansion, and that the Administration had expected State and local governments to spend more than they did.

The third-quarter figures showed a marked drop in the savings rate, from 7.1 per cent. to 6.4 per cent., which has some economists suggesting that even the lower level of economic expansion was being underpinned by the savings accounts of the average citizen.

Dr. Kendrick said the evidence suggested that the savings fall was almost entirely attributable to the drop in farmers' incomes.

His guarded optimism notwithstanding, Dr. Kendrick admitted disappointment at the third-quarter performance. He duly noted that fixed investment was running at historically low levels for this stage of a recovery and expansion, and that the Administration had expected State and local governments to spend more than they did.

The third-quarter figures showed a marked drop in the savings rate, from 7.1 per cent. to 6.4 per cent., which has some economists suggesting that even the lower level of economic expansion was being underpinned by the savings accounts of the average citizen.

Dr. Kendrick said the evidence suggested that the savings fall was almost entirely attributable to the drop in farmers' incomes.

Left fails to sway Callaghan

BY RICHARD EVANS, LOBBY EDITOR

WASHINGTON, Oct. 19.

THE PRIME MINISTER and Mr. Denis Healey, Chancellor of the Exchequer, yesterday successfully countered all attempts by the Labour Party National Executive Committee to commit the Cabinet to a stream of Left-wing legislation in the forthcoming Queen's Speech.

Instead of the angry confrontation between the Cabinet and the NEC that some had feared, Ministers and party representatives left their joint three-hour meeting satisfied that their respective objectives had been achieved.

Left-wingers directed their protest at the continuing high level of unemployment and the need for a massive programme of job creation in the coming parliamentary session. Mr. Callaghan promised to take their arguments into account, but committed himself to nothing.

There was a sharp personal clash between Mr. Healey and Mrs. Barbara Castle, who urged a different Government strategy and advocated confrontation with the International Monetary Fund rather than a drift to political defeat.

In her opinion, the Queen's Speech—the subject of the meeting between the Cabinet and the NEC at 10 Downing Street—must be "challenging, exciting and brave" and must contain massive aid for the unemployed rather than help in dribs and drabs.

Her attitude infuriated Mr. Healey, who protested that all the Left wanted was a rallying answer to the country's problems. Much more would be lost by retaliation than would be gained in his view. The only way to create full employment was from an expansion in world demand.

Healey emphasised that Britain would need to borrow not just from the IMF, but would also need "a significant amount of borrowed cash from elsewhere on reasonably acceptable terms" in order to buy time to strengthen the economy. It would be stupid to have a confrontation with the IMF in these circumstances.

The Chancellor depicted no sign of a fall in unemployment, but there were signs that it was levelling off. In the longer term the Government's objective was a rate of growth of 8 per cent. for three consecutive years, but this could only be achieved by workers and employers co-operating in every manufacturing industry.

Once more Mr. Healey dismissed the imposition of substantial import controls—the course still pushed by the Left at yesterday's meeting—as an answer to the country's problems. Much more would be lost by retaliation than would be gained in his view. The only way to create full employment was from an expansion in world demand.

Healey emphasised that Britain would need to borrow not just from the IMF, but would also need "a significant amount of borrowed cash from elsewhere on reasonably acceptable terms" in order to buy time to strengthen the economy. It would be stupid to have a confrontation with the IMF in these circumstances.

The Chancellor depicted no sign of a fall in unemployment, but there were signs that it was levelling off. In the longer term the Government's objective was a rate of growth of 8 per cent. for three consecutive years, but this could only be achieved by workers and employers co-operating in every manufacturing industry.

Once more Mr. Healey dismissed the imposition of substantial import controls—the course still pushed by the Left at yesterday's meeting—as an answer to the country's problems. Much more would be lost by retaliation than would be gained in his view. The only way to create full employment was from an expansion in world demand.

Healey emphasised that Britain would need to borrow not just from the IMF, but would also need "a significant amount of borrowed cash from elsewhere on reasonably acceptable terms" in order to buy time to strengthen the economy. It would be stupid to have a confrontation with the IMF in these circumstances.

The Chancellor depicted no sign of a fall in unemployment, but there were signs that it was levelling off. In the longer term the Government's objective was a rate of growth of 8 per cent. for three consecutive years, but this could only be achieved by workers and employers co-operating in every manufacturing industry.

Once more Mr. Healey dismissed the imposition of substantial import controls—the course still pushed by the Left at yesterday's meeting—as an answer to the country's problems. Much more would be lost by retaliation than would be gained in his view. The only way to create full employment was from an expansion in world demand.

Healey emphasised that Britain would need to borrow not just from the IMF, but would also need "a significant amount of borrowed cash from elsewhere on reasonably acceptable terms" in order to buy time to strengthen the economy. It would be stupid to have a confrontation with the IMF in these circumstances.

The Chancellor depicted no sign of a fall in unemployment, but there were signs that it was levelling off. In the longer term the Government's objective was a rate of growth of 8 per cent. for three consecutive years, but this could only be achieved by workers and employers co-operating in every manufacturing industry.

Once more Mr. Healey dismissed the imposition of substantial import controls—the course still pushed by the Left at yesterday's meeting—as an answer to the country's problems. Much more would be lost by retaliation than would be gained in his view. The only way to create full employment was from an expansion in world demand.

Healey emphasised that Britain would need to borrow not just from the IMF, but would also need "a significant amount of borrowed cash from elsewhere on reasonably acceptable terms" in order to buy time to strengthen the economy. It would be stupid to have a confrontation with the IMF in these circumstances.

The Chancellor depicted no sign of a fall in unemployment, but there were signs that it was levelling off. In the longer term the Government's objective was a rate of growth of 8 per cent. for three consecutive years, but this could only be achieved by workers and employers co-operating in every manufacturing industry.

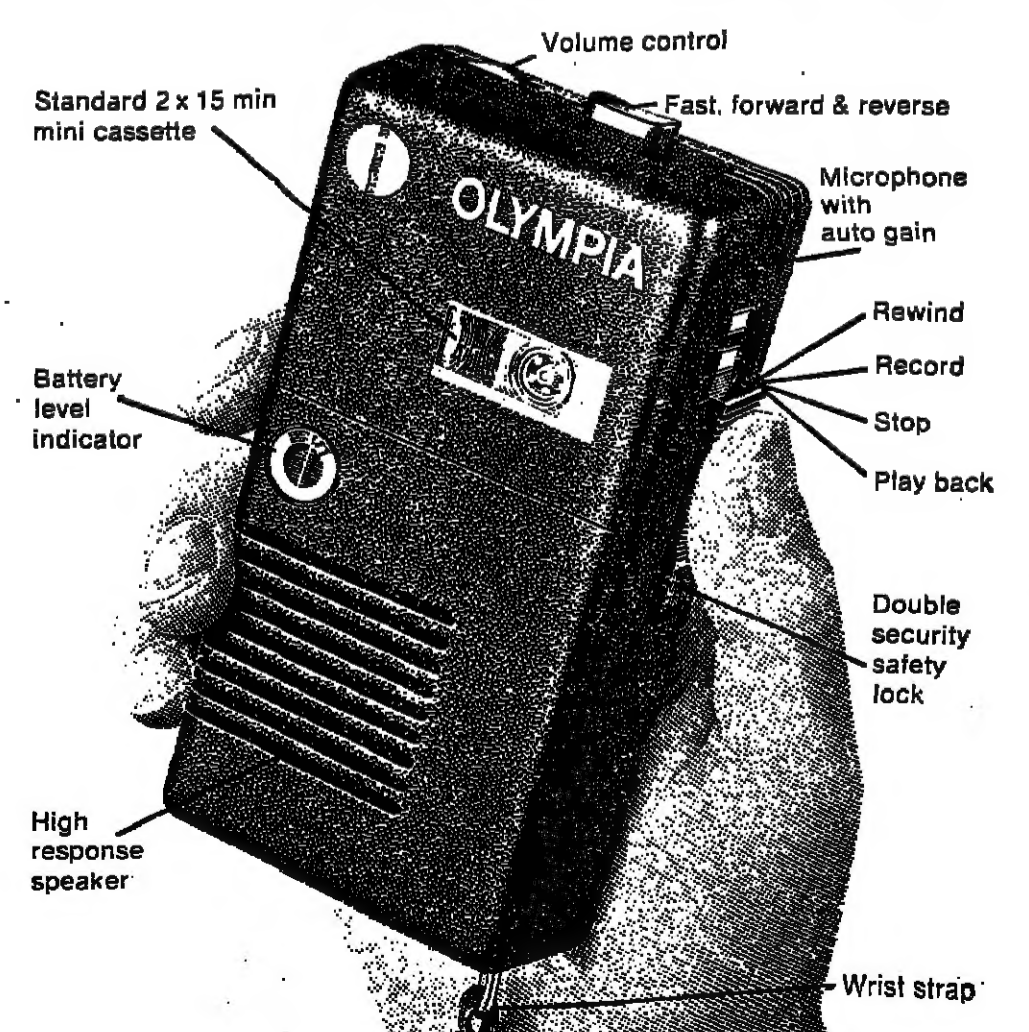
Once more Mr. Healey dismissed the imposition of substantial import controls—the course still pushed by the Left at yesterday's meeting—as an answer to the country's problems. Much more would be lost by retaliation than would be gained in his view. The only way to create full employment was from an expansion in world demand.

Healey emphasised that Britain would need to borrow not just from the IMF, but would also need "a significant amount of borrowed cash from elsewhere on reasonably acceptable terms" in order to buy time to strengthen the economy. It would be stupid to have a confrontation with the IMF in these circumstances.

The Chancellor depicted no sign of a fall in unemployment, but there were signs that it was levelling off. In the longer term the Government's objective was a rate of growth of 8 per cent. for three consecutive years, but this could only be achieved by workers and employers co-operating in every manufacturing industry.

Once more Mr. Healey dismissed the imposition of substantial import controls—the course still pushed by the Left at yesterday's meeting—as an answer to the country's problems. Much more would be lost by retaliation than would be gained in his view. The only way to create full employment was from an expansion in world demand.

Healey emphasised that Britain would need to borrow not just from the IMF, but would also need "a significant amount of borrowed cash from elsewhere on reasonably acceptable terms" in order to buy time to strengthen the economy. It would be stupid to have a confrontation with the IMF in these circumstances.



Thumb dictation machines are better than others!

The Olympia DG501 not only accepts the universal mini-cassette; has unique fast forward and double security lock, and runs off a dry cell battery, or mains; it's also compatible with Olympia disc and centralised systems when linked with Olympia's 505 Transcriber. If you are considering an office dictation system contact your Olympia Dealer—

he can now offer the most advanced and versatile audio system in the business: the Olympia system.

Olympia International
Better Business Machines
Olympia Business Machines Ltd., 201, 203 Old
Finsbury Road, London EC2A 4EJ. Tel: 01-252 4788

LOMBARD

Dishonesty is the worst policy

BY ANTHONY HARRIS

AS EVERYONE KNOWS, a great part of our present problem arises from a very simple fact: investors, with excellent reasons, don't trust sterling any more. Foreign investors — notably the Opec countries — will sell out at almost any price to get into another currency, so sterling sinks. Investment institutions hope against hope that the authorities will finally be forced to offer a rate of interest which will offer a sporting chance of a real return on their investment. While they wait, the money supply gets out of control.

When the problem is stated in such simple terms, a general answer practically suggests itself: offer some sort of security which investors will trust. It is relatively unimportant what kind of securities these might be: indexed stocks of various kinds, stocks denominated in any one of a number of foreign currencies or even a whole basket of them, gold certificates (a sour joke at the moment, but the French buy them), what you will.

The great point is to offer some sort of honest value.

It is equally easy to think up detailed objections to any such proposal — though some of the objections I have actually heard from officials tend to cancel each other out. They will thus argue at one moment that the demand for indexed securities — as with wages the slow sales of the special certificates for retirement — is so small that such a scheme could make very little difference, and at the next that the demand for indexed bonds would be so great that the demand for industrial shares would collapse.

They argue

They will argue at one moment that financial changes cannot solve our problems because they offer "only paper savings," and at the next that it is quite wrong to worry about the deficit because "debt interest is only a disguised form of capital repayment." But if we only have a paper deficit, paper savings would surely be a very good way to reduce it.

Perhaps my favourite objection is that alternative forms of borrowing "would only postpone the problem" — as if borrowing ever had any other purpose than to postpone the problem.

But easily the most frequent objection, and one which I do not find funny in the least, is that honest borrowing would cost too much. The officials who make this point do not doubt that they are protecting the public purse. What they are in fact

proposing is that the Government should make a principle of defrauding its creditors.

Sometimes this comes right out into the open. I recently talked to one especially pleasant and open-minded official, who was simply trying to rub in the fact that indexed or currency denominated borrowing would indeed be expensive, even if the rates of interest involved were very low. "You do realise, don't you," said "that what you are suggesting would involve paying some positive return to the investor?"

More often, though, the point is made by lobbing backwards. If we had converted the sterling balances into dollars say a year ago, our debts would now be much bigger; if we had habitually issued capital-indexed securities, the national debt would now be twice its present size.

Easy to run

If anybody seriously means this argument, it should surely be carried further. With suitable administrative and printing arrangements, it should surely be possible to organise a hyper-inflation of a few thousand per cent, which would at a stroke wipe out both the sterling balance and the national debt. Subsequently, a reconstructed monetary system would be quite easy to run in a non-inflationary way, as the Germans found after 1923.

It is in fact hard to make any other sense of the cost argument. If you look forwards instead of backwards, it is easy to see that borrowing at 15 per cent or more could easily prove very expensive, in real as well as monetary terms, while the real cost of indexed borrowing is at least a known quantity. If you actually believe, as the authorities so often proclaim, that sterling is now drastically undervalued, then the chance to convert sterling into dollar liabilities at sterling exchange rates is surely a bargain.

Even if you only hope that sterling is undervalued, the fact that you can have the cost of debt service in the course of the conversions is quite convincing. But if the combined appeal of honesty and profit is not enough, I would propose that the officials who resist every suggestion for honest securities should parade in Whitehall to show their devotion to the public good. Their banners might read "We will index nothing but our pensions."

RACING

Primonato for Playboy

PRIMONATO, WHO returned to his smart, two-year-old form with a particularly impressive victory in Goodwood's Country Park Handicap on September 27, will take a good deal of beating in this afternoon's Playboy Bookmakers Handicap (3.5) at Sandown.

Reg Akhurst's Native Prince colt, who could hardly have been more impressive on the Sussex course where he forged clear of the runner-up, Fleur D'Amour, inside the final furlong to win going away by four lengths, is well treated with 8 at 3.10, and he should also be ideally suited by this stiff seven furlong.

I hope to see him following up with another clear cut success — possibly at the main expense of that tough Spring Easi colt, Swinging Tribe whose illustrious stable companion, Sporty, took this event a year ago. Fleur D'Amour may fill third place. Swinging Tribe's rider, Willie Carson, whose hold bid to regain the jockey's championship is now clearly doomed, has several other promising looking mounts including a 12.10 shot, the Pucier colt, whom he partners for Noel Murless in the Oxbott Nursery (4.10).

SALEROOM

£16,000 for Meissen service

THERE was a good sale of Continental pottery and porcelain at Sotheby's yesterday, with the top lots beating their estimates. A Meissen purple ground tea and coffee service, consisting of 44 pieces, and made about 1735, sold for £16,000, plus the 10 per cent buyer's premium, at the top of its forecast, while an 18.5 Spornet 12.00 set of Avon, made in 1832, beat its target at £10,500.

The same dish sold at Sotheby's in 1963 for £1,000. As another example of the rise in majolica prices, an Urbino Istante plate from the Pucier service, made by Avelli in 1833, fetched £4,000. In 1962 it went for £820. A German dealer gave £3,100, well over the forecast, for a Fulda crucifix of around 1780, and a Du Paquier beaker, carrying the Russian Imperial Arms and probably a gift to the Austrian Court, sold for £2,500. The auction totalled £117,090.

A rare Prussian order, the Black Eagle, was sold at a Christie's coin and decorations auction for £2,800. The order was presented to Kuang Hsu, the

BY DOMINIC WIGAN

The delight of the Turkish tulip

WATCHING THE RAIN in Imperial Tulips. "Beside every Istanbul, I was brought back fourth flower," wrote a French ambassador, who witnessed it, "is stood a candle, level with the bloom and along the alleys edges of the old Spice Market, are hung cages filled with all kinds of birds." Gaps, where tulips had grown to be blind, were filled with cut flowers placed in bottles. Trellises were green shrubs which were lifted from the nearby woods. Mirrors reflected the lights; musicians bowed and blew their way through the Turkish tunes of the moment; Sultan, harem, eunuchs and courtiers were guests at the Vizer's expense until the tulips dropped their petals.

One way, you may feel, of making free with public spending is to open the parlours of your Council's park bedding schemes have yet been able to imagine. The harem, of course, would be loosed among the tulips on high days and holidays: among the girls, the eunuchs, the boys, the servants, the maids, the flowers no prize that their flowers and stopping continually "onion roots" they then so high at his handkerchief, the Sultan would signify his choice for the evening; the others would be crossed and bred, the return, having failed to catch flowers most obedient to man's will. Perhaps their brightness and their obedience were causes of their favour at the Ottoman Sultan's Court, that extravagant fantasy of emblems and high colouring. For there were nearly half a million tulips in the gardens of the eighteenth century Sultan's Palace. Their patterns were worked into turbans and tiles, into the compliments paid to the prettiest girls and boys in the capital, across their surfaces, the blocks of the court came alive with a new red rhythm. It is thought, perhaps rightly, that the red tulip was inspired by the red of the tulip. I would like to believe this, for the Turks who favoured it had spanned the whole range of Asia's tulips, and no people who have lived in their landscape has ever been blind to the wild tulip's charms.

On the steps and pale brown uplands of Central Asia and Turkistan, the tulip in spring strikes the one bright note of the unforgettable colour. Its varieties have hardly yet been listed, and few have been brought into western gardens. As the Turks moved through Iran into their home, they were seldom sight of the Tulip; no tulip was grown already in western Asia do not fall the yellow, reds and varieties recorded in active Turkistan. The hybrids among which the sports are probably cultivated, maybe Claret more reliable, and we not regret the success Dutch. But it is still to grow a few of the varieties, and I have a hunch that as fine as any win hybrids. The tulip varieties may have been the tulip is indeed the tulip on Turkish tiling, from Samarkand, biggest and brightest red Tulip, improved into a called Red Emperor or a Lefebre whose huge petals are not, however, resistant wind and rain. About a in its ordinary form, the tulip plant will not vividly the nature of a Central Asian landscape.

Before the days of Darwin and Mendel, when there were no imagine. The harem, of course, would be loosed among the tulips on high days and holidays: among the girls, the eunuchs, the boys, the servants, the maids, the flowers no prize that their flowers and stopping continually "onion roots" they then so high at his handkerchief, the Sultan would signify his choice for the evening; the others would be crossed and bred, the return, having failed to catch flowers most obedient to man's will. Perhaps their brightness and their obedience were causes of their favour at the Ottoman Sultan's Court, that extravagant fantasy of emblems and high colouring. For there were nearly half a million tulips in the gardens of the eighteenth century Sultan's Palace. Their patterns were worked into turbans and tiles, into the compliments paid to the prettiest girls and boys in the capital, across their surfaces, the blocks of the court came alive with a new red rhythm. It is thought, perhaps rightly, that the red tulip was inspired by the red of the tulip. I would like to believe this, for the Turks who favoured it had spanned the whole range of Asia's tulips, and no people who have lived in their landscape has ever been blind to the wild tulip's charms.

On the steps and pale brown uplands of Central Asia and Turkistan, the tulip in spring strikes the one bright note of the unforgettable colour. Its varieties have hardly yet been listed, and few have been brought into western gardens. As the Turks moved through Iran into their home, they were seldom sight of the Tulip; no tulip was grown already in western Asia do not fall the yellow, reds and varieties recorded in active Turkistan. The hybrids among which the sports are probably cultivated, maybe Claret more reliable, and we not regret the success Dutch. But it is still to grow a few of the varieties, and I have a hunch that as fine as any win hybrids. The tulip varieties may have been the tulip is indeed the tulip on Turkish tiling, from Samarkand, biggest and brightest red Tulip, improved into a called Red Emperor or a Lefebre whose huge petals are not, however, resistant wind and rain. About a in its ordinary form, the tulip plant will not vividly the nature of a Central Asian landscape.

On the steps and pale brown uplands of Central Asia and Turkistan, the tulip in spring strikes the one bright note of the unforgettable colour. Its varieties have hardly yet been listed, and few have been brought into western gardens. As the Turks moved through Iran into their home, they were seldom sight of the Tulip; no tulip was grown already in western Asia do not fall the yellow, reds and varieties recorded in active Turkistan. The hybrids among which the sports are probably cultivated, maybe Claret more reliable, and we not regret the success Dutch. But it is still to grow a few of the varieties, and I have a hunch that as fine as any win hybrids. The tulip varieties may have been the tulip is indeed the tulip on Turkish tiling, from Samarkand, biggest and brightest red Tulip, improved into a called Red Emperor or a Lefebre whose huge petals are not, however, resistant wind and rain. About a in its ordinary form, the tulip plant will not vividly the nature of a Central Asian landscape.



This Urbino Istante dish of 1832 sold for £10,500 at Sotheby's yesterday.

BY ANTONY THORNCROFT

Emperor of China, by Kaiser Wilhelm II in 1895. After the sacking of Peking in 1900 it fell into the hands of an American soldier who sold it for \$200. The price was just above a top estimate, and the main item in a sale which totalled £24,717. A Secretary of State for India seal of the time of Lord Curzon went for £3,400, over three times the forecast. It had belonged to Asquith and to Stephen Spender. Two specimen sets of Edward VII Coronation coins sold for £1,020 and £920 respectively.

Sotheby's Belgravia had a routine sale of Victorian paintings which realised £20,045. The top price was the £500 for "Old Cottages at Elsted, Surrey," by James Orrock.

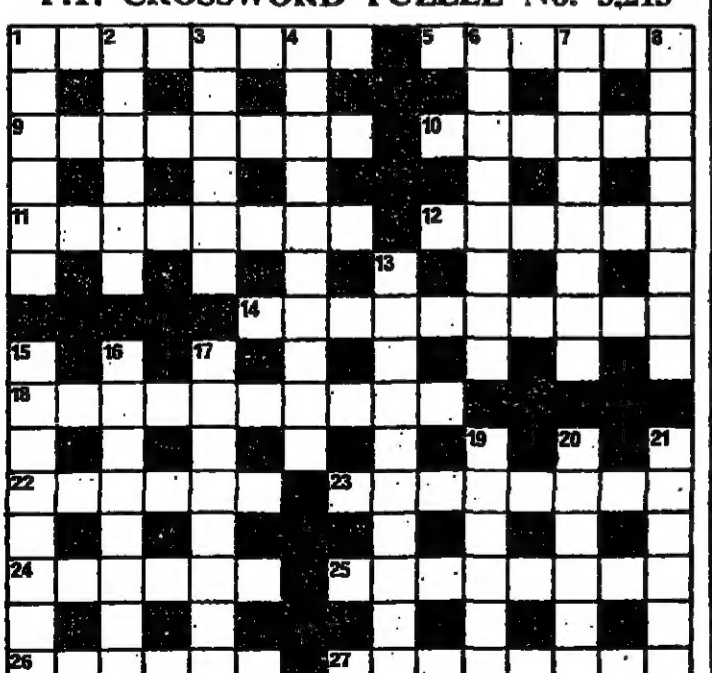
TV Radio

† Indicates programme in black and white.

BBC 1

5.15 a.m. For Schools. Colleges. 10.45 You and Me. 11.00 For Schools. Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Fingerposts. 2.01 For Schools. Colleges. 3.35 Regional News (except London). 3.55 Play School. 4.30 The Wombles. 4.35 Jackanory. 4.48 The Prince Philip Cup. 5.05 John Craven's Newsround. 5.10 Striker. 5.35 Noah and Nelly in Skylark. 5.40 News. 5.55 Nationwide. 6.48 "Carry On Cruising," starring Sidney James, Kenneth Williams and Les Fraser. 7.10 Softly, Softly: Tank Force. 9.00 News. 9.25 The Fall and Rise of Reginald Perrin. 9.55 To-night Special: The Rt. Hon. Harold Macmillan talks about "Britain in Crisis." 10.30 Sportsnight. 11.15 Harry O. 12.05 a.m. Weather/Regional News. All Regions as BBC 1 except at the following times: Wales—2.18-2.28 p.m. I Ysgolion Cymru. Ffynestri. 5.10-5.25 Tybed?

F.T. CROSSWORD PUZZLE No. 3213



ACROSS
1 Chap in event of being long in the tooth wins various... (8)
5 ... colours for cricket (8)
9 Southern fruit valet gives to lancer (8)
10 Make oneself precious object to give to listener (8)
11 Glad to be taken over at the post (8)
12 Form of competitor in pool (6)
14 Ignorant one will repeat (10)
18 For the match girl this is third on the left (4, 6)
22 Refinement of language (6)
23 Apes and a turmoil found in California (8)
24 Elected party has no right to be under cover (6)
25 Dotty kind of engraver (8)
26 Agreement to buy young leader a drink (6)
27 Training manual with which to nail a dramatist (8)

SOLUTION TO PUZZLE No. 3212

DOWN
1 Hoarding is a wretched business (8)
2 Provoked irritation with jabber (6)
3 Smith making money illegally (6)
4 Don't have anything to do with unaccompanied holiday (5, 5)
6 Threaten with that morning after feeling (8)

ring Sidney James, Kenneth Williams and Les Fraser. 7.10 Softly, Softly: Tank Force. 9.00 News. 9.25 The Fall and Rise of Reginald Perrin. 9.55 To-night Special: The Rt. Hon. Harold Macmillan talks about "Britain in Crisis." 10.30 Sportsnight. 11.15 Harry O. 12.05 a.m. Weather/Regional News. All Regions as BBC 1 except at the following times: Wales—2.18-2.28 p.m. I Ysgolion Cymru. Ffynestri. 5.10-5.25 Tybed?

ring Sidney James, Kenneth Williams and Les Fraser. 7.10 Softly, Softly: Tank Force. 9.00 News. 9.25 The Fall and Rise of Reginald Perrin. 9.55 To-night Special: The Rt. Hon. Harold Macmillan talks about "Britain in Crisis." 10.30 Sportsnight. 11.15 Harry O. 12.05 a.m. Weather/Regional News. All Regions as BBC 1 except at the following times: Wales—2.18-2.28 p.m. I Ysgolion Cymru. Ffynestri. 5.10-5.25 Tybed?

ring Sidney James, Kenneth Williams and Les Fraser. 7.10 Softly, Softly: Tank Force. 9.00 News. 9.25 The Fall and Rise of Reginald Perrin. 9.55 To-night Special: The Rt. Hon. Harold Macmillan talks about "Britain in Crisis." 10.30 Sportsnight. 11.15 Harry O. 12.05 a.m. Weather/Regional News. All Regions as BBC 1 except at the following times: Wales—2.18-2.28 p.m. I Ysgolion Cymru. Ffynestri. 5.10-5.25 Tybed?

HTV

12.30 a.m. Most Marie Gordon-Price. 1.30 p.m. West Midlands. 1.30 p.m. Wales Headlines. 2.00 p.m. Housewife. 2.15 p.m. Chuddehams. 2.30 p.m. Crocodiles. 2.40 p.m. Report West. 3.00 p.m. Cactus Flower. 3.15 p.m. Cactus Flower. 3.30 p.m. Cactus Flower. 3.45 p.m. Cactus Flower. 4.00 p.m. Cactus Flower. 4.15 p.m. Cactus Flower. 4.30 p.m. Cactus Flower. 4.45 p.m. Cactus Flower. 5.00 p.m. Cactus Flower. 5.15 p.m. Cactus Flower. 5.30 p.m. Cactus Flower. 5.45 p.m. Cactus Flower. 6.00 p.m. Cactus Flower. 6.15 p.m. Cactus Flower. 6.30 p.m. Cactus Flower. 6.45 p.m. Cactus Flower. 7.00 p.m. Cactus Flower. 7.15 p.m. Cactus Flower. 7.30 p.m. Cactus Flower. 7.45 p.m. Cactus Flower. 8.00 p.m. Cactus Flower. 8.15 p.m. Cactus Flower. 8.30 p.m. Cactus Flower. 8.45 p.m. Cactus Flower. 9.00 p.m. Cactus Flower. 9.15 p.m. Cactus Flower. 9.30 p.m. Cactus Flower. 9.45 p.m. Cactus Flower. 10.00 p.m. Cactus Flower. 10.15 p.m. Cactus Flower. 10.30 p.m. Cactus Flower. 10.45 p.m. Cactus Flower. 11.00 p.m. Cactus Flower. 11.15 p.m. Cactus Flower. 11.30 p.m. Cactus Flower. 11.45 p.m. Cactus Flower. 12.00 p.m. Cactus Flower. 12.15 p.m. Cactus Flower. 12.30 p.m. Cactus Flower. 12.45 p.m. Cactus Flower. 1.00 p.m. Cactus Flower. 1.15 p.m. Cactus Flower. 1.30 p.m. Cactus Flower. 1.45 p.m. Cactus Flower. 2.00 p.m. Cactus Flower. 2.15 p.m. Cactus Flower. 2.30 p.m. Cactus Flower. 2.45 p.m. Cactus Flower. 3.00 p.m. Cactus Flower. 3.15 p.m. Cactus Flower. 3.30 p.m. Cactus Flower. 3.45 p.m. Cactus Flower. 4.00 p.m. Cactus Flower. 4.15 p.m. Cactus Flower. 4.30 p.m. Cactus Flower. 4.45 p.m. Cactus Flower. 5.00 p.m. Cactus Flower. 5.15 p.m. Cactus Flower. 5.30 p.m. Cactus Flower. 5.45 p.m. Cactus Flower. 6.00 p.m. Cactus Flower. 6.15 p.m. Cactus Flower. 6.30 p.m. Cactus Flower. 6.45 p.m. Cactus Flower. 7.00 p.m. Cactus Flower. 7.15 p.m. Cactus Flower. 7.30 p.m. Cactus Flower. 7.45 p.m. Cactus Flower. 8.00 p.m. Cactus Flower. 8.15 p.m. Cactus Flower. 8.30 p.m. Cactus Flower. 8.45 p.m. Cactus Flower. 9.00 p.m. Cactus Flower. 9.15 p.m. Cactus Flower. 9.30 p.m. Cactus Flower. 9.45 p.m. Cactus Flower. 10.00 p.m. Cactus Flower. 10.15 p.m. Cactus Flower. 10.30 p.m. Cactus Flower. 10.45 p.m. Cactus Flower. 11.00 p.m. Cactus Flower. 11.15 p.m. Cactus Flower. 11.30 p.m. Cactus Flower. 11.45 p.m. Cactus Flower. 12.00 p.m. Cactus Flower. 12.15 p.m. Cactus Flower. 12.30 p.m. Cactus Flower. 12.45 p.m. Cactus Flower. 1.00 p.m. Cactus Flower. 1.15 p.m. Cactus Flower. 1.30 p.m. Cactus Flower. 1.45 p.m. Cactus Flower. 2.00 p.m. Cactus Flower. 2.15 p.m. Cactus Flower. 2.30 p.m. Cactus Flower. 2.45 p.m. Cactus Flower. 3.00 p.m. Cactus Flower. 3.15 p.m. Cactus Flower. 3.30 p.m. Cactus Flower. 3.45 p.m. Cactus Flower. 4.00 p.m. Cactus Flower. 4.15 p.m. Cactus Flower. 4.30 p.m. Cactus Flower. 4.45 p.m. Cactus Flower. 5.00 p.m. Cactus Flower. 5.15 p.m. Cactus Flower. 5.30 p.m. Cactus Flower. 5.45 p.m. Cactus Flower. 6.00 p.m. Cactus Flower. 6.15 p.m. Cactus Flower. 6.30 p.m. Cactus Flower. 6.45 p.m. Cactus Flower. 7.00 p.m. Cactus Flower. 7.15 p.m. Cactus Flower. 7.30 p.m. Cactus Flower. 7.45 p.m. Cactus Flower. 8.00 p.m. Cactus Flower. 8.15 p.m. Cactus Flower. 8.30 p.m. Cactus Flower. 8.45 p.m. Cactus Flower. 9.00 p.m. Cactus Flower. 9.15 p.m. Cactus Flower. 9.30 p.m. Cactus Flower. 9.45 p.m. Cactus Flower. 10.00 p.m. Cactus Flower. 10.15 p.m. Cactus Flower. 10.30 p.m. Cactus Flower. 10.45 p.m. Cactus Flower. 11.00 p.m. Cactus Flower. 11.15 p.m. Cactus Flower. 11.30 p.m. Cactus Flower. 11.45 p.m. Cactus Flower. 12.00 p.m. Cactus Flower. 12.15 p.m. Cactus Flower. 12.30 p.m. Cactus Flower. 12.45 p.m. Cactus Flower. 1.00 p.m. Cactus Flower. 1.15 p.m. Cactus Flower. 1.30 p.m. Cactus Flower. 1.45 p.m. Cactus Flower. 2.00 p.m. Cactus Flower. 2.15 p.m. Cactus Flower. 2.30 p.m. Cactus Flower. 2.45 p.m. Cactus Flower. 3.00 p.m. Cactus Flower. 3.15 p.m. Cactus Flower. 3.30 p.m. Cactus Flower. 3.45 p.m. Cactus Flower. 4.00 p.m. Cactus Flower. 4.15 p.m. Cactus Flower. 4.30 p.m. Cactus Flower. 4.45 p.m. Cactus Flower. 5.00 p.m. Cactus Flower. 5.15 p.m. Cactus Flower. 5.30 p.m. Cactus Flower. 5.45 p.m. Cactus Flower. 6.00 p.m. Cactus Flower. 6.15 p.m. Cactus Flower. 6.30 p.m. Cactus Flower. 6.45 p.m. Cactus Flower. 7.00 p.m. Cactus Flower. 7.15 p.m. Cactus Flower. 7.30 p.m. Cactus Flower. 7.45 p.m. Cactus Flower. 8.00 p.m. Cactus Flower. 8.15 p.m. Cactus Flower. 8.30 p.m. Cactus Flower. 8.45 p.m. Cactus Flower. 9.00 p.m. Cactus Flower. 9.15 p.m. Cactus Flower. 9.30 p.m. Cactus Flower. 9.45 p.m. Cactus Flower. 10.00 p.m. Cactus Flower. 10.15 p.m. Cactus Flower. 10.30 p.m. Cactus Flower. 10.45 p.m. Cactus Flower. 11.00 p.m. Cactus Flower. 11.15 p.m. Cactus Flower. 11.30 p.m. Cactus Flower. 11.45 p.m. Cactus Flower. 12.00 p.m. Cactus Flower. 12.15 p.m. Cactus Flower. 12.30 p.m. Cactus Flower. 12.45 p.m. Cactus Flower. 1.00 p.m. Cactus Flower. 1.15 p.m. Cactus Flower. 1.30 p.m. Cactus Flower. 1.45 p.m. Cactus Flower. 2.00 p.m. Cactus Flower. 2.15 p.m. Cactus Flower. 2.30 p.m. Cactus Flower. 2.45 p.m. Cactus Flower. 3.00 p.m. Cactus Flower. 3.15 p.m. Cactus Flower. 3.30 p.m. Cactus Flower. 3.45 p.m. Cactus Flower. 4.00 p.m. Cactus Flower. 4.15 p.m. Cactus Flower. 4.30 p.m. Cactus Flower. 4.45 p.m. Cactus Flower. 5.00 p.m. Cactus Flower. 5.15 p.m. Cactus Flower. 5.30 p.m. Cactus Flower. 5.45 p.m. Cactus Flower. 6.00 p.m. Cactus Flower. 6.15 p.m. Cactus Flower. 6.30 p.m. Cactus Flower. 6.45 p.m. Cactus Flower. 7.00 p.m. Cactus Flower. 7.15 p.m. Cactus Flower. 7.30 p.m. Cactus Flower. 7.45 p.m. Cactus Flower. 8.00 p.m. Cactus Flower. 8.15 p.m. Cactus Flower. 8.30 p.m. Cactus Flower. 8.45 p.m. Cactus Flower. 9.00 p.m. Cactus Flower. 9.15 p.m. Cactus Flower. 9.30 p.m. Cactus Flower. 9.45 p.m. Cactus Flower. 10.00 p.m. Cactus Flower. 10.15 p.m. Cactus Flower. 10.30 p.m. Cactus Flower. 10.45 p.m. Cactus Flower. 11.00 p.m. Cactus Flower. 11.15 p.m. Cactus Flower. 11.30 p.m. Cactus Flower. 11.45 p.m. Cactus Flower. 12.00 p.m. Cactus Flower. 12.15 p.m. Cactus Flower. 12.30 p.m. Cactus Flower. 12.45 p.m. Cactus Flower. 1.00 p.m. Cactus Flower. 1.15 p.m. Cactus Flower. 1.30 p.m. Cactus Flower. 1.45 p.m. Cactus Flower. 2.00 p.m. Cactus Flower. 2.15 p.m. Cactus Flower. 2.30 p.m. Cactus Flower. 2.45 p.m. Cactus Flower. 3.00 p.m. Cactus Flower. 3.15 p.m. Cactus Flower. 3.30 p.m. Cactus Flower. 3.45 p.m. Cactus Flower. 4.00 p.m. Cactus Flower. 4.15 p.m. Cactus Flower. 4.30 p.m. Cactus Flower. 4.45 p.m. Cactus Flower. 5.00 p.m. Cactus Flower. 5.15 p.m. Cactus Flower. 5.30 p.m. Cactus Flower. 5.45 p.m. Cactus Flower. 6.00 p.m. Cactus Flower. 6.15 p.m. Cactus Flower. 6.30 p.m. Cactus Flower. 6.45 p.m. Cactus Flower. 7.00 p.m. Cactus Flower. 7.15 p.m. Cactus Flower. 7.30 p.m. Cactus Flower. 7.45 p.m. Cactus Flower. 8.00 p.m. Cactus Flower. 8.15 p.m. Cactus Flower. 8.30 p.m. Cactus Flower. 8.45 p.m. Cactus Flower. 9.00 p.m. Cactus Flower. 9.15 p.m. Cactus Flower. 9.30 p.m. Cactus Flower. 9.45 p.m. Cactus Flower. 10.00 p.m. Cactus Flower. 10.15 p.m. Cactus Flower. 10.30 p.m. Cactus Flower. 10.45 p.m. Cactus Flower. 11.00 p.m. Cactus Flower. 11.15 p.m. Cactus Flower. 11.30 p.m. Cactus Flower. 11.45 p.m. Cactus Flower. 12.00 p.m. Cactus Flower. 12.15 p.m. Cactus Flower. 12.30 p.m. Cactus Flower. 12.45 p.m. Cactus Flower. 1.00 p.m. Cactus Flower. 1.15 p.m. Cactus Flower. 1.30 p.m. Cactus Flower. 1.45 p.m. Cactus Flower. 2.00 p.m. Cactus Flower. 2.15 p.m. Cactus Flower. 2.30 p.m. Cactus Flower. 2.45 p.m. Cactus Flower. 3.00 p.m. Cactus Flower. 3.15 p.m. Cactus Flower. 3.30 p.m. Cactus Flower. 3.45 p.m. Cactus Flower. 4.00 p.m. Cactus Flower. 4.15 p.m. Cactus Flower. 4.30 p.m. Cactus Flower. 4.45 p.m. Cactus Flower. 5.00 p.m. Cactus Flower. 5.15 p.m. Cactus Flower. 5.30 p.m. Cactus Flower. 5.45 p.m. Cactus Flower. 6.00 p.m. Cactus Flower. 6.15 p.m. Cactus Flower. 6.30 p.m. Cactus Flower. 6.45 p.m. Cactus Flower. 7.00 p.m. Cactus Flower. 7.15 p.m. Cactus Flower. 7.30 p.m. Cactus Flower. 7.45 p.m. Cactus Flower. 8.00 p.m. Cactus Flower. 8.15 p.m. Cactus Flower. 8.30 p.m. Cactus Flower. 8.45 p.m. Cactus Flower. 9.00 p.m. Cactus Flower. 9.15 p.m. Cactus Flower. 9.30 p.m. Cactus Flower. 9.45 p.m. Cactus Flower. 10.00 p.m. Cactus Flower. 10.15 p.m. Cactus Flower. 10.30 p.m. Cactus Flower. 10.45 p.m. Cactus Flower. 11.00 p.m. Cactus Flower. 11.15 p.m. Cactus Flower. 11.30 p.m. Cactus Flower. 11.45 p.m. Cactus Flower. 12.00 p.m. Cactus Flower. 12.15 p.m. Cactus Flower. 12.30 p.m. Cactus Flower. 12.45 p.m. Cactus Flower. 1.00 p.m. Cactus Flower. 1.15 p.m. Cactus Flower. 1.30 p.m. Cactus Flower. 1.45 p.m. Cactus Flower. 2.00 p.m. Cactus Flower. 2.15 p.m. Cactus Flower. 2.30 p.m. Cactus Flower. 2.45 p.m. Cactus Flower. 3.00 p.m. Cactus Flower. 3.15 p.m. Cactus Flower. 3.30 p.m. Cactus Flower. 3.45 p.m. Cactus Flower. 4.00 p.m. Cactus Flower. 4.15 p.m. Cactus Flower. 4.30 p.m. Cactus Flower. 4.45 p.m. Cactus Flower. 5.00 p.m. Cactus Flower. 5.15 p.m. Cactus Flower. 5.30 p.m. Cactus Flower. 5.45 p.m. Cactus Flower. 6.00 p.m. Cactus Flower. 6.15 p.m. Cactus Flower. 6.30 p.m. Cactus Flower. 6.45 p.m. Cactus Flower. 7.00 p.m. Cactus Flower. 7.15 p.m. Cactus Flower. 7.30 p.m. Cactus Flower. 7.45 p.m. Cactus Flower. 8.00 p.m. Cactus Flower. 8.15 p.m. Cactus Flower. 8.30 p.m. Cactus Flower. 8.45 p.m. Cactus Flower. 9.00 p.m. Cactus Flower. 9.15 p.m. Cactus Flower. 9.30 p.m. Cactus Flower. 9.45 p.m. Cactus Flower. 10.00 p.m. Cactus Flower. 10.15 p.m. Cactus Flower. 10.30 p.m. Cactus Flower. 10.45 p.m. Cactus Flower. 11.00 p.m. Cactus Flower. 11.15 p.m. Cactus Flower. 11.30 p.m. Cactus Flower. 11.45 p.m. Cactus Flower. 12.00 p.m. Cactus Flower. 12.15 p.m. Cactus Flower. 12.30 p.m. Cactus Flower. 12.45 p.m. Cactus Flower. 1.00 p.m. Cactus Flower. 1.15 p.m. Cactus Flower. 1.30 p.m. Cactus Flower. 1.45 p.m. Cactus Flower. 2.00 p.m. Cactus Flower. 2.15 p.m. Cactus Flower. 2.30 p.m. Cactus Flower. 2.45 p.m. Cactus Flower. 3.00 p.m. Cactus Flower. 3.15 p.m. Cactus Flower. 3.30 p.m. Cactus Flower. 3.45 p.m. Cactus Flower. 4.00 p.m. Cactus Flower. 4.15 p.m. Cactus Flower. 4.30 p.m. Cactus Flower. 4.45 p.m. Cactus Flower. 5.00 p.m. Cactus Flower. 5.15 p.m. Cactus Flower. 5.30 p.m. Cactus Flower. 5.45 p.m. Cactus Flower. 6.00 p.m. Cactus Flower. 6.15 p.m. Cactus Flower. 6.30 p.m. Cactus Flower. 6.45 p.m. Cactus Flower. 7.00 p.m. Cactus Flower. 7.15 p.m. Cactus Flower. 7.30 p.m. Cactus Flower. 7.45 p.m. Cactus Flower. 8.00 p.m. Cactus Flower. 8.15 p.m. Cactus Flower. 8.30 p.m. Cactus Flower. 8.45 p.m. Cactus Flower. 9.00 p.m. Cactus Flower. 9.15 p.m. Cactus Flower. 9.30 p.m. Cactus Flower. 9.45 p.m. Cactus Flower. 10.00 p.m. Cactus Flower. 10.15 p.m. Cactus Flower. 10.30 p.m. Cactus Flower. 10.45 p.m. Cactus Flower. 11.00 p.m. Cactus Flower. 11.15 p.m. Cactus Flower. 11.30 p.m. Cactus Flower. 11.45 p.m. Cactus Flower. 12.00 p.m. Cactus Flower. 12.15 p.m. Cactus Flower. 12.30 p.m. Cactus Flower. 12.45 p.m. Cactus Flower. 1.00 p.m. Cactus Flower. 1.15 p.m. Cactus Flower. 1.30 p.m. Cactus Flower. 1.45 p.m. Cactus Flower. 2.00 p.m. Cactus Flower. 2.15 p.m. Cactus Flower. 2.30 p.m. Cactus Flower. 2.45 p.m. Cactus Flower. 3.00 p.m. Cactus Flower. 3.15 p.m. Cactus Flower. 3.30 p.m. Cactus Flower. 3.45 p.m. Cactus Flower. 4.00 p.m. Cactus Flower. 4.15 p.m. Cactus Flower. 4.30 p.m. Cactus Flower. 4.45 p.m. Cactus Flower. 5.00 p.m. Cactus Flower. 5.15 p.m. Cactus Flower. 5.30 p.m. Cactus Flower. 5.45 p.m. Cactus Flower. 6.00 p.m. Cactus Flower. 6.15 p.m. Cactus Flower. 6.30 p.m. Cactus Flower. 6.45 p.m. Cactus Flower. 7.00 p.m. Cactus Flower. 7.15 p.m. Cactus Flower. 7.30 p.m. Cactus Flower. 7.45 p.m. Cactus Flower. 8.00 p.m. Cactus Flower. 8.15 p.m. Cactus Flower. 8.30 p.m. Cactus Flower. 8.45 p.m. Cactus Flower. 9.00 p.m. Cactus Flower. 9.15 p.m. Cactus Flower. 9.30 p.m. Cactus Flower. 9.45 p.m. Cactus Flower. 10.00 p.m. Cactus Flower. 10.15 p.m. Cactus Flower. 10.30 p.m. Cactus Flower. 10.45 p.m. Cactus Flower. 11.00 p.m. Cactus Flower. 11.15 p.m. Cactus Flower. 11.30 p.m. Cactus Flower. 11.45 p.m. Cactus Flower. 12.00 p.m. Cactus Flower. 12.15 p.m. Cactus Flower. 12.30 p.m. Cactus Flower. 12.45 p.m. Cactus Flower. 1.00 p.m. Cactus Flower. 1.15 p.m. Cactus Flower. 1.30 p.m. Cactus Flower. 1.45 p.m. Cactus Flower. 2.00 p.m. Cactus Flower. 2.15 p.m. Cactus Flower. 2.30 p.m. Cactus Flower. 2.45 p.m. Cactus Flower. 3.00 p.m. Cactus Flower. 3.15 p.m. Cactus Flower. 3.30 p.m. Cactus Flower. 3.45 p.m. Cactus Flower. 4.00 p.m. Cactus Flower. 4.15 p.m. Cactus Flower. 4.30 p.m. Cactus Flower. 4.45 p.m. Cactus Flower. 5.00 p.m. Cactus Flower. 5.15 p.m. Cactus Flower. 5.30 p.m. Cactus Flower. 5.45 p.m. Cactus Flower. 6.00 p.m. Cactus Flower. 6.15 p.m. Cactus Flower. 6.30 p.m. Cactus Flower. 6.45 p.m. Cactus Flower. 7.00 p.m. Cactus Flower. 7.15 p.m. Cactus Flower. 7

Durkó & Sackman

by DAVID MURRAY

The Leeds Musical Festival, shape of his Ellipsis rang true which the composer Alastair, a proposal, Goeher has devised an attractive and modestly adventurous know the intended sense, which name this year, Monday is asking too much of a first's concert brought two hearing; but this bubbling score ideas. Unlike Edinburgh or really is peculiarly and charming, Leeds rations itself ingly evasive—up to the coda, a single nightly concert, which ends doubt ensures that a keen by playing a last rump fairly ent may hear everything he but is likely to leave as feeling under-indulged; are daytime fringe it, and late-goings-on in Leeds are inconceivable. This concert like a one-off event, a part of the audience coming of the London contemporary music establishment, up the city and again as a festival, which would permit, the new works were common. Zolt Durkó's Turner for the BBC; and by Nicholas Sackman—rger Goeher pupil—for the Festival. Each is a one-ment chamber work, and, and each boasts several achronised passages in the players exercise a ed freedom in dealing with notes allotted to them, to us ends. Both display more ism than is strictly justified the power of current cal modes to sustain long, nuous spans. In the case of urko piece, which is character-ly tidy and candid (but er? which?) a series of cellular episodes—music-related, but hardly cumula-hangs on the thread of the part: Erich Gruenberg's nly committed playing kept central focus, and the Barok-erin, from which it borrows full-blooded expressive than reside in Durkó's manner. The episodes are ally effective; good, strange for a trombone trio and three strings and close order's (including the last) which at of sub-act plinking el Friend conducted the Festival Orchestra with nt understanding.

Nicholas Sackman's style does quite stand on its own feet here the debt to Berio's two Concerto with the concert itself to the extent of backing with a further stral piano ("prepared" in sense)—but the dramatic

onne Arnaud, Guildford

Macbeth

by B. A. YOUNG

us is Shakespeare the way I a rock. The lighting by Mick Hughes makes subtle evocative Court of King James II, or Roman Catholic cathedral, and a positively Stanislawski play by Nazis in pre-war Europe, Macbeth as anyone coming to the play in a textbook it see it.

be stalls are blanketed in and filthy air as the Three ers open the scene. The ned sergeant crawls on, ously wounded, barely able to stand, though he regains his ight when the time comes to Duncan and his party the of the battle. It is all real, it might conceivably have ened had Shakespeare's tale a true one.

mean, resonantly spoken by Curran, is no courtly king a powerful warlord, a leader men in battle, indeed, he a fresh wound on his face.

Duncan's Macbeth is a confident captain then, able imulate indifference to the as' prophecies; and Lady eth, when we see her, wears a green dress, somewhat and the skirts, kings and as they may be called but (they are) are tough leaders assant armies bent on per- conquest.

ector Peter Coe's simple, ight presentation of the y does not rule out exciting per- craft. The permanent set struck by the short exhibition of only three gibbets behind ough raked stage brought h almost to the front of the e, in the middle is a flat is somewhat shortened.

that may be a pool of ing indeed.

leatre Royal, Stratford E.

The Showman

is title part, played by ashen- Ron Moody, is really a pheral amusee to a condensed, telling and vaguely musical ion of that hoary old melo- na, The Belle. The book and as are credited to Herbert d and Roland Hase, a duo hose work I am to date un- rned and to-day less than ured.

he Showman is a travelling merian whom Mr. Moody and

collaborators have elevated from a small though crucial role in the trial scene of *The Belle* to a manipulator of the melodrama's chronicle of Marlow's ghastly The Belle. The intention far exceeds the execution, for, after the initial audience-baiting in which Mr. Moody indulges in such leering and jocular effect, his function is sadly limited to both punctuating the Alastair shaggy dog story with feeble attempts at glamorous self-assertion and half-hearted evocation of a showbiz *à la Parisienne*.

The travelling show is interrupted from the stalls by the moralistic burgomaster, Matthias (John Gower), who is immer- sely cast as the mesmerist's victim for the evening. But instead of using the tale as a springboard to the sort of sustained vaudeville routine at which Mr. Moody excels, the awful play is allowed to take over, slanting the star into the wings and the cardboard characters to the fore.

A succession of grisly songs had me rolling in the aisles for the wrong sorts of reasons, reaching a kind of night-mareish Novalis aping with the scuzzing chorus of "The wonderful wines of Alsace/They spoil you for others, alas." Mr. Moody is desperately deserving of a better vehicle, but for the moment I would gladly settle for his wonderful one-man show, *More Along Sidesways*, that recently played at this address.

MICHAEL COVENEY

Television

Avenging again

by CHRIS DUNKLEY



Joanna Lumley, Patrick Macnee and Gareth Hunt in 'The New Avengers' (Thames)

One of the most effective ways of making an audience's flesh creep is to persuade them that they are watching the banal, the mundane, the commonplace and then to cut the hammock of familiarity from underneath them by revealing a startling deviation from the norm: the old family portrait with moving eyeballs, or the charming count whose smile reveals an overgrown canine.

The animation of normally inanimate objects can become particularly terrifying, as the first of ATV's "Beasts" series, *Special Offer*, proved again on Saturday. (In London, anyway, this is one of several series which ITV are ensuring chaotic spaced sounds, whose shifting pastels count for much more in the total structure than the pitch-relations. The score looks like it made forbidding demands, but the fact of its permissiveness about vertical matching of parts draws much of the sting.

The rest of the concert extended the Leeds salute to the American klezmer. I prefer Carl Ruggles' monically serene *Angels* in its original draft for six trumpets; the string version which we had here makes something tamer of it. The late gentle and elevated Monet by Copland survived some doubtful intonation and too overtly "sensitive" intentions. Happiest were the pieces of lives *Theatre Set*, delivered with plenty of wry intelligence of the cage, in particular, captured the chaotic phobic worry of the song it derives from unusually well. Before the concert, Lord Boyle had chaired a symposium—Copland, Sackman, Durkó and Charles Rosen—on "The place of new music in the concert repertoire": there was the usual tentative consensus that sometimes it doesn't, and that educating the public would help if anything.

It was at that point that I threw off the last of my fears and reservations about the return of the series and allowed myself to laugh out loud: this was *The Avengers* as we knew and loved them, suggesting great terror but invariably relieving the tension of fear with a deliberate gleam.

Last night tribute, conscious of subconsciously, was paid to that little play in the first of *The New Avengers* (in London, anyway, etc.) when John Steed heard marching men on the remote Scottish island, looked out of the window and saw, peering up the road in the moonlight, a platoon of cowed monks, with the crash of military boots coming from beneath their habits.

It was at that point that I threw off the last of my fears and reservations about the return of the series and allowed myself to laugh out loud: this was *The Avengers* as we knew and loved them, suggesting great terror but invariably relieving the tension of fear with a deliberate gleam.

Last week in this column it was suggested that, if television had one role that it was uniquely equipped to fulfil, it was to supply programmes that explained one part of society to another. At the same time it was acknowledged that most viewers see the main function of television as entertainment and relaxation. *The Avengers* was always a leading example—perhaps the best example—of the television programme in this category.

That is why I have called, several times in the last few years, for a revival of the series, and it was the memory of those public demands which caused the uneasiness upon seeing the first of the new batch: would it all be changed beyond recognition, or would it look painfully old-fashioned?

Deutsche Oper, Berlin

Wir erreichen den Fluss

by ELIZABETH FORBES

The Deutsche Oper in West Berlin is the first theatre to take up Hans Werner Henze's opera *We come to the River* since its premiere at Covent Garden last July. Henze himself has made the German version of Edward Bond's "action for music," ensuring that the translation is as authentic as the original: he has not this time doubled as producer, leaving that task to Volker Schlöndorff, the 37-year-old film and theatre director who has only twice before worked in the opera house (at Frankfurt and at Montepulciano). With Martin Rupperecht as designer, Schlöndorff has evolved a staging quite different from, but just as valid as, Henze's own, and it was fascinating to compare the two interpretations.

Bond's text sets the action "in Europe—19th century and later." At the Deutsche Oper this might read "in South America—the present." The immediacy of a past gained by modern civilian clothes is blunted by the alienating effect of tropical uniforms for the officers; the common soldiery, whether clad in khaki or jungle-green, is presumably the world over—a fallacy in my opinion. Henze's instructions as to three acting-areas and three on-stage orchestras are followed to the letter, but the modern auditorium does not lend itself so well as Covent Garden's 19th-century interior to some of the special effects: there are no central aisles for the brass band to exit as spectacularly as it did in London.

On the other hand the more versatile stage demands of the Deutsche Oper allows for a wider variety of scenic changes: the battleship, with the vertical wing of a crashed plane and a huge open parachute, the body of the dead pilot still dangling from it, is particularly striking. This parachute dominates the set for most of the first act, collapsing as the curtain falls. The madhouse, with which the second act opens, is constructed of shiny, neon-lit, white tiles, like some ultra-hygienic municipal public convenience. The Mad People, dressed in ordinary clothes, are not noticeably dishevelled and appear to be keen on basketball. The Emperor's picnic is a less formal affair than at Covent Garden; attended by his personal gargoyle, the Emperor practices yoga and ignores the champagne.



Joanna Lumley, Patrick Macnee and Gareth Hunt in 'The New Avengers' (Thames)

It has changed, but producer Albert Fennell, writer, Brian Clemens, and composer Laurie Johnson, who are partners in the independent company which has returned *The Avengers* to us, are all here and their changes are mostly cosmetic. If anything the series is even slicker than before.

There is only one change that is fundamental, but even that is (surprisingly) not intrusive, and although it disappoints me, may very well please others: the plots, instead of being completely ludicrous, are now merely absurd, in much the same way that James Bond, say, is absurd. The series' flights of fantasy of the old series have been replaced by a more realistic, but still very dramatic but very nasty! It is highly entertaining and is obviously going to brighten up some of the winter evenings of 1976 no end.

There are three other sets of programmes which are currently giving me great enjoyment. The first is Jack Palance's BBC2 version of *Graves' 11*, *Claudius* of which the fifth episode (there are 12) is repeated to-night. Nothing particularly new or unusual is being attempted here in production terms, and Martin Lisemore seems to have produced the entire series on a budget which would hardly keep *The New Avengers* in motor cars for a fortnight.

When it was necessary to include a visit to the Roman games, we only ever saw the principal characters in the (studio) stands, reacting to the spectacle in front of them which viewers and actors alike were obliged to imagine. Yet it is a series which is quite impossible to put down once you have picked it up.

Initially it seemed that Brian Potter's *Nigel Barton* plays on Friday, Leslie Blair's superb and funny first television play, *Blooming Youth*, on Saturday and, as a challenging, daunting, potentially exhausting but (especially for those of us who very sorry to see him go. Blessed has made the emperor the ideal Spade to Livin', amiable and of John Hopkins's 1866 quartet, trusting even though possessed *Talking To A Stranger*.

Festival Hall

Rococo Variations

by MAX LOPPERT

From his "pastiche" works—notably the long pastoral *diver-tissement* within *The Queen of Spades*; the *Mozartiana* Suite; the *Variations on a Rococo Theme*—we derive a special understanding of Chaikovsky: not only of his unique gifts of orchestration but, more importantly, of the particular manner in which we heard and loved music of the Classical period.

He cherished, not the passion, mocking humour and darkly temperamental energy that our own age digs out of, say, Don Giovanni (sometimes to the cost of other qualities in the music); but, rather, a vision of perfect, unruffled musical grace and purity; and his attempts at their recreation betokened at the same time a melancholy admission that for him such an ideal must be irretrievably lost.

The *Rococo Variations* immediately instruct the listener in the kind of cellist who must undertake them: a calm and unblemished "Golden Age."

In the outer movements, technical proficiency in turning the scales, grace, and fluid divisions that adorn the development of the Theme, he must fuse an always pure, unsmudged sweetness of tone, with timbres and colours suggesting all the melancholy behind Chaikovsky's loving fantasy. David Geringas, the young Russian cellist, former Rostropovich pupil and 1970 Chaikovsky Competition winner, who played the work under his teacher's baton at Monday's London Philharmonic Orchestra Chaikovsky concert, showed himself an only half-finished performer of the work. The tone, in slow, lyrical utterances, was unbearable—was this really melting, firm and sweet—not Haidink's orchestra, whose *fortes* huge, but delicately projected, we have learnt to consider in and with exactly the right aching finite in their unstrained note kept in check. But in amplitude?

King's Head

Albert's Bridge

by MICHAEL COVENEY

Tom Stoppard's 1967 radio to crumble; so does the bridge, play is not so much adapted as but not before a wan suicide stages for this luncheon scene arrives on the scenic, presentation by Chichester New forced up by his misery only to be coaxed down by Albert's In- from this year's Chichester terference and the anaesthesia season, a couple of whom are of an overall view.

The play's punch is packed by the arrival of 1,800 men to join the Haymarket. By "staged" I in the painting once the commit- really mean put on the stage ice has discovered that Albert's with a certain amount of routine vigour but not enough to convince you that the piece is better served than by the medium for which it was intended.

Albert is a philosophy suicide. But how to reproduce graduate of whimsical bent who a climactic sound effect on the has discovered his true vocation stage? Christopher Seibie's pro- in the painting of "the fourth duction has no answer, and the shore-to-shore railway bridge in the world bar none." The words neat and disciplined, but nothing are those of a town official and, special, despite good perfor- as a result of some hilarious ances by Martin Chamberlain as techno-bureaucratic deductions, Albert, Adam Kurakin as the the entire job is entrusted to befuddled "victim of perspec- Albert, Slapping, and sipping As" and Rob Edwards as an his happy with about the real incisively circumlocutory coun- world, Albert's marriage begins cillor.

Griffin Fact

You can bank on it.

Factoring is not just a matter of releasing the capital tied up in your sales ledger.

It is management. Credit Control. A lead back of management information constantly, freely and flexibly available.

This is the area in which Griffin Factors Limited, a subsidiary of the Midland Bank Ltd., excels. Only Griffin has the accumulated expertise of its senior personnel—one of the most experienced teams in the business.

Only Griffin has the ultra-fast, extra secure systems that are installed at the new Griffin HQ in Worthing. Systems run on a brand new IBM 370/125 computer, and based on one of the most complete corporate credit check facilities in Britain and on a vast library of information stored in its entirety on microfiche.

When you factor with Griffin Factors, you get more than just a new source of capital that expands as your turnover increases.

Griffin take over the administration of the sales ledger, issue statements to your customers and tactfully collect the debts, always with reference to you.

You save on space, accounting machinery and extra staff by not having to provide for sales ledger expansion.

You save on losses due to bad debts because Griffin provide 100% protection against bad debts on approved accounts.

You receive up to 80% of approved debts, less charges, as soon as the invoices are rendered and notified, and the rest when your customer pays Griffin.

Since up to 25% of your annual turnover maybe tied up financing your sales ledger, factoring could make available to you a great deal of extra capital for growth.

Why not send the coupon now for a discussion with the Development Manager, Griffin Factors Limited, Farncombe Road, Worthing or if you prefer telephone 0903 205181.

| | |
|--|--|
| Name of enquirer | |
| Position | |
| Name of company | |
| Address | |
| Telephone number | |
| Is your company incorporated and registered in the UK? | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Is your company's annual turnover more than £100,000? | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Are your sales to trade customers? | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Nature of company's business | |

Griffin Factors Limited FT 20/10
A SUBSIDIARY OF MIDLAND BANK LIMITED

EUROPEAN NEWS

Raids after N. Korean expulsions

Swedish police have raided ten firms and homes in Stockholm and an unidentified city in their search for contraband as a result of the expulsion of all North Korean diplomats from Denmark and Norway, Chief Public Prosecutor Mr. K. G. Svensson said yesterday, UPI reports. He said the Monday night raids led to the arrest of four businessmen and the seizure of 500 bottles of liquor and 19,000 cigarettes illegally brought into the country.

Denmark last Friday ordered the North Korean diplomatic staff of four out of the country within six days for dealing in narcotics, liquor and cigarettes. On Monday, Norway ordered the five-man North Korean diplomatic staff— including Ambassador Kil Jae Gyoung who is based in Stockholm—off its soil within six days for illegal trading in alcohol and cigarettes.

Barre: Limit EEC assembly

The French Government has made it clear that while it is committed to the principle of direct elections for the European Parliament, there is a question of the Parliament being given greater powers, David Curry writes from Paris. This is the main burden of remarks made by the French Prime Minister, M. Raymond Barre, at a week-end seminar.

He said that there was no reason to fear the creation of a directly elected Parliament, a clear reference to M. Michel Debré, the Gaullist former Minister who is vehemently opposed to direct elections because he thinks they will compromise national sovereignty according to M. Barre, the existence of the European Council (the summit meetings of EEC heads of Government) was the guarantee that the Parliament would pose no threat to traditional decision-making.

Concorde landmark

To-day's Paris to Washington Concorde flight will carry the 20,000th passenger to travel supersonic since Air France put the aircraft into scheduled service. Since January 21, the airline has carried about 8,700 passengers on the service to Rio, with the twice-weekly services on average at 64.5 per cent of capacity. The weekly service to Caracas, which has been operated since April 9, has carried some 1,000 people, representing 35.2 per cent of capacity. The Washington-Paris service, opened on May 24, has managed 84 per cent seat capacity on its three-weekly flights.

The West German carrier Lufthansa has commented that while the loss of passengers to supersonic on the run to the U.S. works out at around one a year. "If we had bought Concorde, we would have lost around Frs.30-40m. per aircraft."

Cyprus expulsions

The number of Greek Cypriots still living in the Turkish-held Northern part of Cyprus has dwindled to about 4,700, according to a Government report, writes our Nicosia correspondent. It said some 4,000 Greeks had been expelled from the area by the Turkish authorities since the beginning of this year.

The report accused the Turks of resorting to "all kinds of oppressive measures to force the Greek population to leave their homes and lands. The expulsions, which continue at the rate of 30-50 a day, have increased. The number of Greek Cypriots (officially estimated at 200,000) which were originally displaced from their homes by the Turkish invasion in the summer of 1974.

Finnish elections

The preliminary results of the Finnish local government election on October 17-18 confirm the early trends calculated by computer on Monday night, reports Laura Kayworth from Helsinki. There has been a small but definite shift of 1.7 per cent units to the Centre and Right and an equal swing away from the Left since the last local election in 1972.

The Socialist parties have lost their majority in the non-Socialists in 18 communes, including nine of the bigger towns. The biggest individual victor is the Conservative Party with 20.3 per cent of the votes cast, a gain of 2.9 per cent units. Had this been a parliamentary election it would have meant more than a local election, the Conservative Party would now be the second biggest in the country, displacing the Communists and the Centre party. The Social Democrats are still head of the poll with 25 per cent of the votes cast, while the Communists trail with 18.5 per cent.

EEC and Bangladesh

The European Common Market and Bangladesh yesterday signed a five-year commercial co-operation agreement aimed at increasing trade between the two sides, particularly Bangladesh's exports to the Nine. The agreement provides for most-favoured-nation commercial status, and an undertaking to promote export development and diversification.

Irish dismissal call

The Irish Cabinet met yesterday amid opposition demands for the dismissal of Defence Minister Patrick Donaghy for his outspoken criticism of President Cearbhall Ó Dálaigh. UPI reports from Dublin, Mr. Donaghy has already promised to apologise "as soon as possible" for calling Ó Dálaigh a "thundering disgrace" because of his attitude to the government's anti-terrorist legislation. The President recently referred the Emergency Powers Bill to the Supreme Court to test its constitutionality. The court ruled last week that it was not repugnant to the constitution. The measure gave police power to hold suspects for seven days instead of 48 hours. Mr. Donaghy at a formal military function in Mullingar on Monday described the President's action as an "amazing decision" and said that the President was a "thundering disgrace."

Spanish reform deadline set

BY ROGER MATTHEWS MADRID, Oct. 19.

THE MOST critical stage of the struggle within the Spanish régime over the direction and pace of constitutional reform should be largely resolved during the next four weeks. This was the time limit set by the Government to-day for the Cortes (Parliament) to approve or reject its draft law which provides for general elections leading to a new two-tier Parliamentary system.

It is considered unlikely that the Cortes, a heavily Conservative body, will give the necessary two-thirds majority to the draft law as it now stands, and will instead propose several amendments.

Prime Minister Adolfo Suárez and his Cabinet will then have to decide if the amendments significantly alter the spirit or content of the law, in which case they can either ask King Juan Carlos to dissolve the Cortes and go straight to a referendum, or accept the changes and risk an even more open confrontation with opposition parties.

Either way, the King and his Government now have a well-defined timetable in which to declare positively their intentions.

The Government is particularly anxious that the debates in the Cortes should proceed without emotive extraneous influences which could harden opinions among deputies. It was therefore particularly concerned to-day at the announcement by the three main illegal trade union organisations to call for a National Day of industrial action on November 12.

Further evidence of a hardening attitude by employers to strikes came to-day with the decision in the Basque province of Vizcaya to lock out 30,000 construction workers for 15 days in answer to their industrial action in support of wage demands. Port workers in Bilbao have returned to work after a four-day stoppage but have given employers two weeks to meet their demands.

Political police meanwhile made a number of swoops last night and arrested a senior member of the Communist party, Lucio Lobato, who only came out of jail this summer after serving 25 years, and a number of Left-wing lawyers. They had been present yesterday at a mass meeting in Madrid University to discuss a series of political issues including repression during the Franco era.

Irish call for import controls

DUBLIN, Oct. 19.

BY GILES MERRITT

THE IRISH Government has been called on by one of the republic's leading trade unionists to introduce selective import controls. Claiming that Ireland has become a "dumping ground" for goods and produce and that this has aggravated the unemployment, Mr. John Carroll, vice-president of the Irish Transport and General Workers' Union, said that the republic's home market had been "economically raped."

In a direct attack on the Cochrane Government's recent Green Paper on the economy, Mr. Carroll stated that at present there was not "a hope in hell" of any 1977 improvement in unemployment. The latest official figures now put the unemployment rate at 12.1 per cent, but an EEC labour survey to be released soon is understood to indicate a total of 18 per cent.

Mr. Carroll demanded "major gambles" by the Government in the next few months, and particularly in the January budget, to stimulate economic activity, notably a reduction in personal income tax and imposition of selective import controls. The Irish Government is expected strongly to resist demands for import restrictions, but income concessions have been believed to form part of the package currently being discussed with unions and employers as the basis for a 12-month pay pause next year.

Ireland's unemployment crisis has also been blamed on the violence in Ulster. Mr. Brendan O'Regan, president of the Shannon Free Airport Company, has claimed that the continuing Northern Ireland crisis has been more responsible than any other single factor for "reducing and even eliminating employment opportunities."

W. German investment abroad rises

By Nicholas Colchester BONN, Oct.

THE TENDENCY of West German industry to invest overseas has continued unabated according to new statistics published by the Bonn Economics Ministry. In the first six months of 1976, West Germany invested DM2,750m. compared with DM2,440m. in the first half of last year.

This outflow of funds by the total of German investment overseas since 1962 to DM44,300m. For the first time this figure exceeded the DM44,350m. by foreign countries in Federal Republic since time. These figures are ever, merely the money transferred across national frontiers. They do not reflect the much greater amounts of investment locally by companies investing overseas.

West Germany has now invested about DM2,500m. in the first six months of successive years. In the first half of 1975, exactly 40 per cent of this was invested in the U.S. and 44.7 per cent in Asia. 3.6 per cent was invested in Africa and 4.6 per cent in Latin America. There was actually a decline in investment in Australia of DM85m. from DM1,000m. in 1975.

The individual countries favoured by German investment in 1976 were: Holland DM4,600m., the U.S. with DM4,400m., Switzerland with DM1,700m., Japan with DM1,700m., by Britain and France DM495m. each.

The Ministry notes DM1,030m. or 37.5 per cent of German foreign investment in the first half of 1976 went to developing countries. It that it would like to see the portion increased by companies that one drawback is the security for foreign investments offered by many developed countries.

Among the industry sectors since again checked accounts for the largest of German money, chemicals in the first six months of 1976, the machine industry DM4,100m., the steel industry DM3,500m., electrical engineering DM2,800m., and the chemical industry DM2,250m.

Meanwhile, although shadowed by the outward foreign investment in Germany picked up in the first six months of 1976. The figure for the first six months was DM1,400m. up from DM950m. in the half of 1975.

1. BANK OF AMERICA, NT & SA
2. CITIBANK, NA
3. CHASE MANHATTAN BANK, NA
4. MANUFACTURERS HANOVER TRUST CO.
5. CHEMICAL BANK
6. MORGAN GUARANTY TRUST CO.
7. CONTINENTAL ILLINOIS NB&T CO.
8. BANKERS TRUST CO.
9. FIRST NATIONAL BANK, CHICAGO
10. SECURITY PACIFIC NATIONAL BANK
11. WELLS FARGO BANK, NA
- 12.
13. CROCKER NATIONAL BANK
14. UNITED CALIFORNIA BANK
15. IRVING TRUST COMPANY
16. MELLON BANK, NA
17. FIRST NATIONAL BANK, BOSTON
18. NATIONAL BANK OF DETROIT
19. FIRST PENNSYLVANIA BANK, NA
20. BANK OF NEW YORK

Can you name the 12TH largest bank in the U.S.?

We're a worldwide banking system with \$9.2 billion in deposits, which includes \$2 billion in personal savings. We have \$541 million in capital, \$80 million in reserves, and \$10.5 billion in assets. We have 316 branches throughout New York State and 29 offices throughout the world. Have you guessed our name yet? We have our international operations based in New York City's financial district, with key people in the world's major money centers. We have extensive experience in foreign exchange and in foreign currency management. Do you need another clue? We do business with half of the leading U.S. national and multinational companies on the "Fortune 500" list. And over 750 banks in more than 130 countries. Now do you know who we are? We're the Marine Midland Bank.

Ranking based on deposits as of June 30, 1976

50 Avenue Foch

Habiter Avenue Foch, à Paris? Autant habiter le bon côté. Côté droit, quand on descend. Côté soleil. Côté cinquante. Toutes les grandes avenues du monde ont un bon côté. Avenue Foch, depuis un siècle, les plus recherchés sont les numéros pairs.

Le cinquante. Au numéro cinquante, s'édifie un ensemble nouveau et très fidèle à l'Avenue Foch. Avec des appartements de 3, 4, 5 pièces dans les superstructures. Et avec des hôtels particuliers de 4, 6, 8 pièces dans la partie basse où se mêlent patios, verdure, jardins suspendus : au total, 4000 m² de verdure sur les 5800.

Appartements et hôtels particuliers. L'architecte et le décorateur ont voulu un style "pierre et ton bronze" qui respecte la tradition de l'Avenue du Bois, mais qui n'a rien de rigide, grâce à une conception très libre des espaces. Les pièces sont conçues pour recevoir, mais dans un esprit d'intimité et de chaleur tout à fait dans le goût actuel.

Le calendrier des travaux. Il est conçu pour que, dès maintenant, vous puissiez vous décider sur les aménagements intérieurs que vous souhaitez - dans le cas où vous en souhaiteriez d'autres que ceux prévus par l'architecte et le décorateur.

Société de commercialisation : SPG (snc. Benjamin F et F), 23, rue de l'Arcade 75008 Paris. Tél. 263.41.21. For the United Kingdom: Henry Daw, 26/28 Saville Street - London W1X 2 CL. Tel. 01-734.5155. 63, rue Pierre-Charron - 75008 Paris. Tél. 266.07.21.

50, Avenue Foch 75116 Paris. Tél. Actuellement, tous les jours, de 11 h à 18 h, sont dimanche et jours fériés. Samedi de 10 h à 17 h. Dans le hall d'entrée et de vente : maquettes, plans et "livret de bord" dédié à votre intention personnelle.

Now Barclays Bank is in Istanbul.

Barclays Bank International has become the first British bank to establish its own representative in Turkey, thus adding to its unique network of more than 1,700 offices in over 70 countries around the world.

Our new office in Istanbul will provide up-to-date economic and market intelligence for companies trading with Turkey as well as advice and guidance on the formulation and financing of commercial contracts.

Get in touch with our representative, Monty West, at the address below or in the United Kingdom contact our International Division at 168 Fenchurch Street, London EC3 3HP (01-283 8989).



Barclays Bank Representative in Turkey, Cumhuriyet Caddesi 179/5, Harbiye, Istanbul, Turkey. Telephone: 40.32.52.

Man Democracy by abortion

Days to peg

URGENT

IN DE

THE LIRA CRISIS: Patching up the leaks

BY ANTHONY ROBINSON, IN ROME

IN the midst of the lira crisis this year, the Government has been forced to patch up the currency at a level. The latest round of the lira, which ended during the last days of September, followed a three-point increase in the discount rate to 15 per cent. The Government has also announced a three-point increase in the discount rate to 15 per cent. The Government has also announced a three-point increase in the discount rate to 15 per cent.

On October 1, Sig Andreotti announced an unprecedented three-point increase in the discount rate to 15 per cent.

In the middle of April, the lira fell to around the dollar and a political crisis

the Bank of Italy, with considerable difficulty, held the rate at 771. But by the middle of the year, the lira had already fallen to around 900 to the dollar. The political crisis and of early general elections

Government resigned on 10 and the lira continued to fall to a record low of 927. The caretaker government announced the imposition of a 50 per cent deposit on the lira, which not only supports more expensive but also a substantial reduction in bank liquidity, served to fuel expectations regarding the course of the lira and the currency to some extent from the inevitable pressure of nervousness and uncertainty.

Christian Democrats in Italy try abortion Bill

RULING Christian Democrats in Italy decided early to present an extremely restrictive Abortion Law Reform Bill to Parliament to counter permissive proposals being discussed in the lower house. Mr. Galloni told reporters at a press conference that the executive committee of the Christian Democrats had decided to present a bill which would save the life of a woman or her unborn child. The mother's health would be a continued pre-occupation, he said. This would still be a formal, punishable offence to a woman, he said. This would still be a formal, punishable offence to a woman, he said.

Yugoslavs to peg costs

ALEXANDAR LEBL BELGRADE, Oct. 19. FEDERAL Government of Yugoslavia has proposed to the Parliament the basic targets for 1977. Product should increase by 6 per cent, industrial production by 6 per cent, and agricultural production by 3 per cent. Employment and productivity should rise by 3 per cent each. Investment in the economy by 1 per cent, real individual consumption by 4.5 per cent. Exports should increase by 1 per cent, and imports by 1 per cent. Prices and cost of living should go up not more than 1 per cent. Inflation should be kept under control.

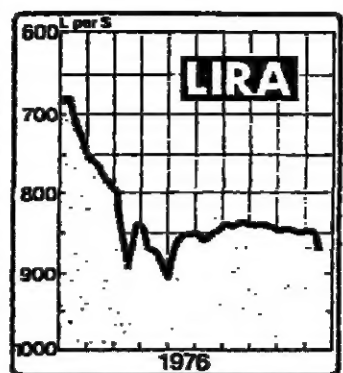
IT URGENT

se will you join the many generous friends who have made short-term, interest-free loans available to the e Curie Memorial Foundation to help finance the election and opening, before Christmas, of two new Homes over 100 beds for the care of the most sadly distressed or sufferers in the U.K. Assured repayment in 6, 12 or 18 months or at 7 days' notice. Details from the Secretary, Sloane Street, London, S.W.1 (01-730 9158). No loan is small or too big in the present acute inflationary situation.

IN DEED IT IS

also placed a new ceiling on bank lending. Total credit expansion by the commercial banks must be kept within 20 per cent. by end-March 1977, compared with the 25 per cent. growth over the past three months.

Since October 1, exporters



have been obliged to finance directly in foreign exchange 50 per cent. instead of the former 30 per cent. of their export receipts. This means that exporters are obliged to obtain a foreign currency loan from the banks equal to 50 per cent. of the value of the goods exported at the moment of leaving the country and then exchange the currency immediately into lire through the Foreign Exchange

Office. This reduces the legs of trade payments. At the same time, foreign banks and residents are no longer allowed to make use of their lire credit lines with Italian banks and the validity of foreign currency giro accounts has been reduced from seven to two days—both measures aimed at reducing speculation based on exploiting the time-lag between the completion of transactions.

Another, highly controversial, measure is that raising the flat tax on dividends from 30 to 35 per cent., a measure ostensibly introduced to sweeten the pill for the sacrifices demanded of the working class but widely denounced as demagogic even by the Communist Party itself.

Apart from shoring up the lira in the short run, the purpose of the package is to take some of the pressure off the economy. It aims to do this by importing the public utilities and the state and hence the public borrowing requirements which are linked to the cost of living allowance now recognised to be the major cause of inflation—as in the unchanged for 20 years.

In addition the government is also expected to reduce the meat import bill: the second largest import item after oil products. It aims to do this by importing the meat from the EEC revision process is going on the whole system should be blocked for at least six months to give

There are no signs that the Government is actually capable of reducing the growth of public expenditure.

present 18 per cent. and/or closing butchers' shops on certain days of the month.

The list of measures taken or proposed is certainly a lengthy one. But is it adequate or appropriate?

Foreign Trade Minister Rinaldo Ossola is one of those who believes that it is virtually useless to impose higher taxes, which inevitably will be passed on to the consumer, and hence a yet weaker base from which the economy can start the next hypothetical future recovery. It is a negative stop-go-stop similar to that faced by the U.K.

But, compared with similar crises in the past, there does appear to be a heightened public awareness of the nature of the dilemma and the precarious nature of the overall economic and political structure. Both the unions and the Communist Party have publicly agreed that sacrifices are necessary, that inflation is public enemy number one, and that profits and investment are necessary to get the

a respite from self-induced economy moving again. But in a country, where, in spite of the crisis, the autostradas are full of expensive imported cars and other external signs of wealth are openly flaunted, and where tax evasion is still widespread, the unions and the Left want sacrifices to be justly spread.

At the same time, however, there are no signs that the government is actually capable of reducing the growth of public expenditure, not to speak of actually cutting it back. Sig. Andreotti announced his intention to make ministries cut their budgets, but up till now the cuts amount to a minuscule 1.93bn—out of total government spending next year of 1,238,000bn—a derisory percentage.

The point is that once again the Government has reacted to a run on the currency with the usual emergency measures.

These may manage to stabilise the currency (at a lower level than before) but at the price of a reduction in economic growth, a further decline in investment and hence a yet weaker base from which the economy can start the next hypothetical future recovery. It is a negative stop-go-stop similar to that faced by the U.K.

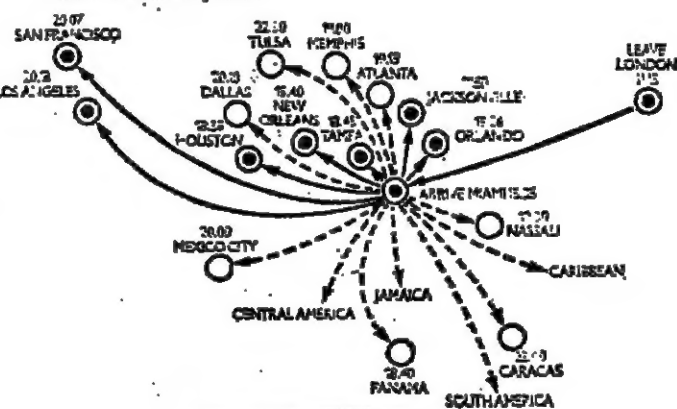
But, compared with similar crises in the past, there does appear to be a heightened public awareness of the nature of the dilemma and the precarious nature of the overall economic and political structure. Both the unions and the Communist Party have publicly agreed that sacrifices are necessary, that inflation is public enemy number one, and that profits and investment are necessary to get the

"National flies me non-stop to Miami? To over 30 U.S. cities? And connects me to the Caribbean, Central and South America?"

Say "National Airlines, take me, I'm yours" when you're thinking about a trip over to the States. It's the logical choice when you're flying to cities in the American South and South-West, and even further south than that.

National's flights from London fly you non-stop to Miami, the sunny gateway to America. National can fly you to over 30 American cities like Houston, New Orleans and throughout Florida.

If Central or South America, or island-hopping in the Caribbean is your final destination, National can connect you there from Miami, too.



In fact, because National's departures, services and flights to so many cities are so good, people are saying "Take me, I'm yours" over and over. Three out of four of our passengers have flown with us before.

Start your trip to the States through America's sunny city: Miami. For more information or reservations call your travel agent. Or call National Airlines at 01-629 8272. And say "National Airlines, take me, I'm yours."



National Airlines

"Take me I'm yours"

National Airlines Inc. is incorporated in the state of Florida, U.S.A.

AMERICAN NEWS

Quebec election next month

Premier Robert Bourassa has announced that the long-expected provincial election in Quebec will be held on November 15 giving the minimum of about 28 days for official campaigning, writes Robert Gibbons in Montreal. However, electioneering by all parties has been in progress for about three weeks. Mr. Bourassa's Liberal Party has been running full-page advertisements in daily papers recounting its record since it was first elected in 1970. The Liberals hold about 90 per cent of the seats in the 110-seat National Assembly and are campaigning on the issue of Quebec's place in a new Canadian constitution, the right to strike in public-service areas such as hospitals, strengthening the position of the French language and culture and a myriad of local bread-and-butter issues which may carry more weight.

The Parti Quebecois, led again by former Liberal Minister René Lévesque (not a member of the Assembly) will campaign on the issue of Liberal mismanagement of the economy, the Olympics cost scandal, a referendum on the separatist issue if elected and local issues.

Fiat for Brazil

The Brazilian Fiat 147, an adaptation of the Fiat 127, popular in Italy and Europe, was introduced in Brazil yesterday in anticipation of an estimated 1977 production run of 120,000 cars, AP-DJ reports. The car, 75 per cent Brazilian manufactured, is reported to get 44 miles per gallon, an important selling point in Brazil. It will be built at Fiat plants in Betim in Minas Gerais State.

Gas price move

The Bay State Gas Company has said that it and 38 other members of the New England Gas Association have appealed to the Federal Power Commission (FPC) to delay price increases the FPC granted gas producers on July 27 for further review. AP-DJ reports from Boston. Bay State Gas said that the price increase from its gas producers will be far greater than the FPC originally estimated. Thus the increase in its costs to consumers will be about 10 per cent, it said.

Electricity workers end strike in Buenos Aires

BY HUGH O'SHAUGHNESSY

AFTER STAGING a major challenge to the Argentine Government's economic policy, workers at the two principal power companies have returned to work.

A 13-day strike, which seriously affected power supplies in the Argentine capital and which was called in protest against sackings decreed by the Government of General Jorge Rafael Videla, ended on Monday though troops are still reported to be stationed at the Puerto Nuevo power station in the centre of the city.

The effects of acts of sabotage to the city's generators are still being felt. SEGSA and the Compañía Italo-Argentina de Electricidad were the two companies

affected. Union leaders among the strikers have been dismissed from their posts.

Meanwhile, violence continues in many parts of the country. Following the explosion at the Military Club in central Buenos Aires and in the ammunition store at Zárate at the week-end, an executive of Borgward Argentina, Sr. Enrique Luis Arrosagary, was killed at a car and escaped.

In the capital, a number of buses were attacked with Molotov cocktails though no injuries were reported. In the northern provinces of Tucumán and Salta, eight guerrillas were killed in two incidents.

General Domingo Antonio

Bussi, commander of the Fifth Infantry Brigade and Governor of Tucumán province, a sugar growing area, claimed in a speech in Tucumán that the army had "won the war against the guerrillas".

Gen. Bussi added, however, that the guerrillas had only been able to get a grip of the area by reason of the bad economic and social conditions of the province. "As the result of many years of government negligence," he commented, "man is the greater of nothing, he has had no chance to educate himself and is totally without health and social facilities. And before him he sees the other side of the coin, the wealth of the owners of the sugar factories."

Row shaping over Cubana crash

BY OUR OWN CORRESPONDENT

BRIDGETOWN, Oct. 19.

A POLITICAL row is shaping between Barbados and Guyana over the legal technicalities of the crash of a Cubana Airlines jet off Barbados on October 8 in which all 73 aboard were killed.

It has been generally accepted that sabotage caused the disaster in which 57 Cubans, 11 Guyanese and five North Koreans were killed. A Miami-based group of Cuban exiles, calling itself El Condor, claimed soon after the crash that its agents had planted a magnetic bomb on the flight and two men, based in Venezuela, have been held in Trinidad in connection with the incident.

No charges

However, no charges have been laid against them yet and there is doubt as to the country in which they should be tried. The Barbados Government declared on Friday that "after exhaustive inquiries" it had been established that the crash

occurred 45 miles offshore, in other words outside its three miles territorial limit.

Mr. Tom Adams, the Prime Minister, said Barbados had not decided on the matter of extraditing the men from Trinidad to face charges here and said that Barbados police were treating it as a case of murder.

Our Georgetown correspondent writes: Mr. Burnham has publicly called on his Barbados counterpart to apply for the extradition of the two Venezuelans. He said he was informed that Trinidad and Tobago would give favourable consideration to such an application.

He disputed the contention of the Barbados Government that the incident was outside Barbados jurisdiction, and claimed the crash took place one and a half miles from Barbados. In addition, as Barbados was a signatory to the Montreal anti-hijacking convention of 1971, it could press charges.

The Guyanese Prime Minister

claimed that in the diary of one of the held men was the name of an officer of the American embassy in Venezuela. He also gave details of CIA connections with Cuban exiles, but he stopped short of directly accusing either the U.S. or the CIA of complicity.

Terrorist plot

UPI reports from Caracas: Venezuelan authorities have discovered plans by anti-Castro agents to carry out terrorist actions in the U.S. and half a dozen Caribbean and South American nations, according to Press reports.

Venezuelan police investigating the role of Cuban exiles in the Cubana Airlines bombing have linked it with other actions in recent weeks. Among these are the September 21 killing of former Chilean Foreign Minister Orlando Letelier in Washington and the bombing of the Guyanese consulate in Trinidad and Tobago.

Carter matches Ford strategy in big cities

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Oct. 19.

MR. JIMMY CARTER has decided to match President Ford's strategy for the last ten days of the election campaign by also concentrating heavily on the country's largest industrial states.

The intention is to stage a series of major rallies in the centre of large cities, very much a traditional Democratic tactic as a campaign nears its end. Again borrowing from the party handbook, Mr. Carter will be hammering away at conventional Democratic issues such as unemployment and the rise in the cost of living.

This morning, Mr. Carter was in Florida, with its substantial elderly (and Jewish) population, pushing hard for another Democratic cause—a national health insurance scheme. How-

ever, showing his sensitivity to Democratic charges that he is a dangerous big spender, he eschewed endorsement of the controversial Kennedy-Corman health programme and said that though he wanted a health insurance scheme that would pay every penny of every American's medical costs, he would only propose it when he concluded the Government could afford it.

Mr. Carter had originally hoped to be able to conduct his Presidential campaign much as he had his march through the Democratic primaries—traveling widely, even indiscriminately, meeting with small groups as well as large and shaking as many hands as possible.

But with the race getting tighter and with the severe limitations on campaign expen-

diture bearing down on his campaign finances, he has found it increasingly necessary to resort to the big events which attract major media exposure.

that Mr. Carter has been too contemptuous of Mr. Ford recently (Mr. Carter strenuously denies this); it must be said, however, that the copyright on savagery in this election so far indisputably belongs to Senator Dole, the Republican Vice-Presidential candidate, for his performance in last Friday's debate with Senator Mondale.

Both sides agree that Friday's final debate between Mr. Ford and Mr. Carter may be crucial in swaying the sentiments of the electorate—or in persuading the voters to stay at home. The polls have suggested sizeable swings to each man after the first two and the race is still close enough for whoever emerges as the winner on Friday to ride in triumph to the White House.

Republicans have suggested

But Mr. Carter also says that he will not have recourse to personal attacks on the President in the next two weeks—at least unless provoked into so doing. The Republicans have suggested

that Mr. Carter has been too contemptuous of Mr. Ford recently (Mr. Carter strenuously denies this); it must be said, however, that the copyright on savagery in this election so far indisputably belongs to Senator Dole, the Republican Vice-Presidential candidate, for his performance in last Friday's debate with Senator Mondale.

Both sides agree that Friday's final debate between Mr. Ford and Mr. Carter may be crucial in swaying the sentiments of the electorate—or in persuading the voters to stay at home. The polls have suggested sizeable swings to each man after the first two and the race is still close enough for whoever emerges as the winner on Friday to ride in triumph to the White House.

Republicans have suggested

But Mr. Carter also says that he will not have recourse to personal attacks on the President in the next two weeks—at least unless provoked into so doing. The Republicans have suggested

that Mr. Carter has been too contemptuous of Mr. Ford recently (Mr. Carter strenuously denies this); it must be said, however, that the copyright on savagery in this election so far indisputably belongs to Senator Dole, the Republican Vice-Presidential candidate, for his performance in last Friday's debate with Senator Mondale.

Both sides agree that Friday's final debate between Mr. Ford and Mr. Carter may be crucial in swaying the sentiments of the electorate—or in persuading the voters to stay at home. The polls have suggested sizeable swings to each man after the first two and the race is still close enough for whoever emerges as the winner on Friday to ride in triumph to the White House.

Republicans have suggested

But Mr. Carter also says that he will not have recourse to personal attacks on the President in the next two weeks—at least unless provoked into so doing. The Republicans have suggested

that Mr. Carter has been too contemptuous of Mr. Ford recently (Mr. Carter strenuously denies this); it must be said, however, that the copyright on savagery in this election so far indisputably belongs to Senator Dole, the Republican Vice-Presidential candidate, for his performance in last Friday's debate with Senator Mondale.

Both sides agree that Friday's final debate between Mr. Ford and Mr. Carter may be crucial in swaying the sentiments of the electorate—or in persuading the voters to stay at home. The polls have suggested sizeable swings to each man after the first two and the race is still close enough for whoever emerges as the winner on Friday to ride in triumph to the White House.

Republicans have suggested

But Mr. Carter also says that he will not have recourse to personal attacks on the President in the next two weeks—at least unless provoked into so doing. The Republicans have suggested

that Mr. Carter has been too contemptuous of Mr. Ford recently (Mr. Carter strenuously denies this); it must be said, however, that the copyright on savagery in this election so far indisputably belongs to Senator Dole, the Republican Vice-Presidential candidate, for his performance in last Friday's debate with Senator Mondale.

Both sides agree that Friday's final debate between Mr. Ford and Mr. Carter may be crucial in swaying the sentiments of the electorate—or in persuading the voters to stay at home. The polls have suggested sizeable swings to each man after the first two and the race is still close enough for whoever emerges as the winner on Friday to ride in triumph to the White House.

Republicans have suggested

But Mr. Carter also says that he will not have recourse to personal attacks on the President in the next two weeks—at least unless provoked into so doing. The Republicans have suggested

that Mr. Carter has been too contemptuous of Mr. Ford recently (Mr. Carter strenuously denies this); it must be said, however, that the copyright on savagery in this election so far indisputably belongs to Senator Dole, the Republican Vice-Presidential candidate, for his performance in last Friday's debate with Senator Mondale.

Both sides agree that Friday's final debate between Mr. Ford and Mr. Carter may be crucial in swaying the sentiments of the electorate—or in persuading the voters to stay at home. The polls have suggested sizeable swings to each man after the first two and the race is still close enough for whoever emerges as the winner on Friday to ride in triumph to the White House.

Republicans have suggested

But Mr. Carter also says that he will not have recourse to personal attacks on the President in the next two weeks—at least unless provoked into so doing. The Republicans have suggested

that Mr. Carter has been too contemptuous of Mr. Ford recently (Mr. Carter strenuously denies this); it must be said, however, that the copyright on savagery in this election so far indisputably belongs to Senator Dole, the Republican Vice-Presidential candidate, for his performance in last Friday's debate with Senator Mondale.

Both sides agree that Friday's final debate between Mr. Ford and Mr. Carter may be crucial in swaying the sentiments of the electorate—or in persuading the voters to stay at home. The polls have suggested sizeable swings to each man after the first two and the race is still close enough for whoever emerges as the winner on Friday to ride in triumph to the White House.

Republicans have suggested

But Mr. Carter also says that he will not have recourse to personal attacks on the President in the next two weeks—at least unless provoked into so doing. The Republicans have suggested

that Mr. Carter has been too contemptuous of Mr. Ford recently (Mr. Carter strenuously denies this); it must be said, however, that the copyright on savagery in this election so far indisputably belongs to Senator Dole, the Republican Vice-Presidential candidate, for his performance in last Friday's debate with Senator Mondale.

Both sides agree that Friday's final debate between Mr. Ford and Mr. Carter may be crucial in swaying the sentiments of the electorate—or in persuading the voters to stay at home. The polls have suggested sizeable swings to each man after the first two and the race is still close enough for whoever emerges as the winner on Friday to ride in triumph to the White House.

Republicans have suggested

But Mr. Carter also says that he will not have recourse to personal attacks on the President in the next two weeks—at least unless provoked into so doing. The Republicans have suggested

that Mr. Carter has been too contemptuous of Mr. Ford recently (Mr. Carter strenuously denies this); it must be said, however, that the copyright on savagery in this election so far indisputably belongs to Senator Dole, the Republican Vice-Presidential candidate, for his performance in last Friday's debate with Senator Mondale.

Both sides agree that Friday's final debate between Mr. Ford and Mr. Carter may be crucial in swaying the sentiments of the electorate—or in persuading the voters to stay at home. The polls have suggested sizeable swings to each man after the first two and the race is still close enough for whoever emerges as the winner on Friday to ride in triumph to the White House.

Republicans have suggested

But Mr. Carter also says that he will not have recourse to personal attacks on the President in the next two weeks—at least unless provoked into so doing. The Republicans have suggested

that Mr. Carter has been too contemptuous of Mr. Ford recently (Mr. Carter strenuously denies this); it must be said, however, that the copyright on savagery in this election so far indisputably belongs to Senator Dole, the Republican Vice-Presidential candidate, for his performance in last Friday's debate with Senator Mondale.

Both sides agree that Friday's final debate between Mr. Ford and Mr. Carter may be crucial in swaying the sentiments of the electorate—or in persuading the voters to stay at home. The polls have suggested sizeable swings to each man after the first two and the race is still close enough for whoever emerges as the winner on Friday to ride in triumph to the White House.

Republicans have suggested

But Mr. Carter also says that he will not have recourse to personal attacks on the President in the next two weeks—at least unless provoked into so doing. The Republicans have suggested

that Mr. Carter has been too contemptuous of Mr. Ford recently (Mr. Carter strenuously denies this); it must be said, however, that the copyright on savagery in this election so far indisputably belongs to Senator Dole, the Republican Vice-Presidential candidate, for his performance in last Friday's debate with Senator Mondale.

OVERSEAS NEWS

Arrest of Israel central bank chief-designate

BY L. DANIEL

TEL AVIV, Oct. 19.

MR. ASHER YADLIN, whom the Israel Government five weeks ago nominated as the next Governor of the country's Central Bank—although his appointment has not yet been confirmed—was last night taken into custody by the police in connection with various transactions carried out by Kupat Holim, the health insurance fund of the Israel Labour Federation, which he has headed for several years.

Further arrests are expected in connection with investigations which may gravely embarrass the police establishment of the Labour Party and even involve Ministers.

The inquiries began immediately after Mr. Yadlin's appointment to succeed Mr. Moshe Sanbar.

At the time, Mr. Yadlin's nomination was criticised by the banking and private sectors

because of his close connections with the Labour Party, which apart from being the main element in the present coalition Government, also effectively controls the Kistadrut and its various off-shoots which account for about a third of the country's total economic activity and 60 per cent of industry.

Before becoming head of Kupat Holim, Mr. Yadlin held other key posts in organisations belonging to the Israel Labour Federation or Histadrut.

Mr. Binyamin Ziegler, the police prosecutor, has told the magistrates court here that Mr. Yadlin is accused of receiving \$6,000 in bribes from real estate deals, as well as from a company supplying the health fund, and conspiring to defraud the state of tax on a private real estate deal. Six transactions are under investigation and Mr. Yadlin, who is 43, was remanded in custody for 15 days.

Police say that he is also suspected of having been a partner in having given false declarations in connection with the purchase and sale of a flat registered in someone else's name. An officer added that there were grounds to believe that Mr. Yadlin or others acting on his behalf had acted to intimidate potential witnesses.

Mr. Yadlin was not the only one remanded to-day. Another is a former director of the Labour Federation's construction company, Sol Boneh, Mr. Mordechai Elison. He is stated to be suspected of having been involved in a real estate deal worth \$1.2m, with part of the proceeds, according to stated police suspicions, going to Mr. Elison and part to Mr. Yadlin—as well as to others. A third remand or rather an extension is that of the Accountant General of the sick

New Thai budget announced

Thailand's military junta has announced a \$3.4bn. deficit budget for 1977, but officials said yesterday that more funds would be allocated for the military's top priority anti-Communist campaign, AP-DJ reports. The Budget is basically the same as approved last month by the fallen civilian Government.

The Budget is 9.8 per cent higher than last year's \$3.1bn. The largest share, \$802.5m, goes to the interior ministry which runs the provincial administration and the police. The Defence Ministry receives the second largest share, totalling \$615m. Military sources said more funds would be needed for the anti-Communist campaign.

Revenue for the new fiscal year is projected at \$2.5bn, and the regime will have to seek loans to make up the deficit.

India PM immunity

Indian PM Minister Hari Ram Gokhale indicated yesterday that the proposed constitutional amendment granting the Prime Minister immunity from arrest or prosecution on criminal charges was unlikely to become law, Reuter reports from New Delhi.

Australia zone

Australia would feel bound to declare a unilateral 200-mile economic zone around its coasts if next May's Law of the Sea Conference session were successful, Foreign Minister Andrew Peacock said yesterday, reports Reuter from Canberra.

Japan snubbed

The Soviet Union officially told Japan it did not plan to exchange messages yesterday marking the 20th anniversary of the restoration of diplomatic relations between the two countries, the Japanese Foreign Ministry said. It was an indication of Moscow's displeasure with Japan's handling of the MIG25 affair.

ON OTHER PAGES

International Company News: Possession decline and fall (R): heavier losses 30/32
Farming and Raw Materials: Lardinals "green pound" plus U.S. soyabean forecast 37

Riyadh accord fails to halt the fighting

BY ISHAN HAJAZI

BEIRUT, Oct. 19.

THE AGREEMENT for ending the Lebanese civil war which was announced last night at the end of the Arab restricted summit in Riyadh is already impaired by what has been described as the Israeli-backed military offensive in the Lebanon by Right-wing Christian forces.

These forces, which were said to have been supplied with arms and military vehicles by Israel, yesterday occupied the strategic garrison at the town of Marjayoun, five miles from the Israeli border. The garrison commander, the main road to the slopes of Mount Hermon, the area once known as "Patahlam" because Palestinian guerrillas had maintained bases there.

The Riyadh declaration called for implementation of the "Cairo agreement" which was concluded by the Lebanese Government and the Palestine Liberation Organisation in 1969.

The right-wing forces were reported to-day to be still pressing their offensive with the aim of occupying two more strategic villages, Al Khyam and Kfar Kila. On Sunday, they seized the Moslem village of Hanine which falls almost immediately on the border with Israel.

It is believed that the Israelis who were reported to have provided artillery cover for the

Right in their attack on Marjayoun and to have supplied helicopters to transport the wounded, have established a virtual strategic control of that crucial strip of Lebanese southern territory. Barring the Palestinian guerrillas' advance to the objectives of the commandos are unable to return to their bases there, they would be deprived of the main privilege in the Cairo agreement.

The left-wing and pro-Palestinian Press here to-day gave as much attention to the situation in the south as to the Riyadh declaration. Al Mohawir, a daily paper with commando connections, said that if Syria is sincere in carrying out the Riyadh accord it must put an end to the right-wing co-operation with the Israelis.

Syrian officials are believed to have raised the subject with the right-wing delegation which visited Damascus last week, and warned them Syria will deal with the matter as soon as its military action against the Palestinians and Left was completed.

However, the Israelis and the Right have established a fait accompli in the south and could take a great deal of effort to bring about a military action to eliminate it.

Rhodesian denied release

SALISBURY, Oct. 19.

RHODESIAN authorities have said they will not free a detainee named in a nationalist leader Bishop Abel Muzorewa's delegation to the Rhodesian conference to end the emergency, which was held in London last month, sources within the African National Council (ANC) faction said to-day.

But, they added, another detainee and a man restricted to Bulawayo had been cleared to join the delegation.

These sources said a senior police officer told them yesterday that the former Deputy Secretary-General Enos Nkala, detained about five months ago, would not be released. No reason was given, and it was not yet known whether

the faction would insist on his release, the sources said. The police officer indicated that the Rev. Henry Kachidza, a former party official, who was detained about three months ago, would be released. The Rev. Canaan Banana, restricted to within 10 miles of Bulawayo, had already been freed from restriction, the sources said.

Meanwhile, President Julius Nyerere of Tanzania has proposed that the five black "front" states of Southern Africa be represented by observers at the forthcoming Rhodesia conference in Geneva, usually reliable sources said, and it was not yet known whether

Cambodia commercial mission in Hong Kong

By David Housley

HONG KONG, Oct. 19.

CAMBODIA is making its commercial contacts with non-Communist world since closed its border after Khmer Rouge took power April last year.

Transactions are handled through the Ren Y company, a Chinese trading firm, based Hong Kong.

The four Cambodians acting as a trading mission Cambodia though they it on the fiction that they private businessmen. To to accord with Hong Y regulations which make it east for trade or commissions, apart from Chinese, to attain states here.

The acting representative for the Cambodian team, So Chea, said they were to purchase from Western country, including U.S.

He declined to say what goods in western they seeking, though he was for catalogues of goods. It is believed, however, that Cambodia is in the ket for industrial equipment and fuel while wanting rice and beans.

China is apparently the Cambodians' financial port, though Mr. So would only say that the of the purchases would a line with the "Chinese financial structure". Cambodian team has been since July but, according Mr. So Chea, has made deals as yet.

The senior member, Mr. Rit, is currently in Cambodia where the Chinese are their annual trade fair. He seems likely that changes from China will shadow those from the West.

The Chinese are apparently anxious to keep a close eye on Cambodia's commercial contacts with the West. Nations, for the first time, to establish a presence in Hong Kong were coming through Peking. Cambodia's strongest link Indo-China as the "Rice bowl" held more sway in Vietnam and Laos.

Military chief back Hua

HONG KONG, Oct. 19.

MAJOR military command China's regional areas has thrown their support behind Communist Party leader Hua Kuo-feng and the of radical elements within Mao Tse-tung's widow, Chiang.

One military rally came closer yet to officially identifying Madame Mao as a target of the current political struggle. A political commissar in Canton—a garrison commander—warned that those who elude to be a "student" of Chiang Ching-kuo, has been herself many times in the ten years as a "student" her husband.

In Nanjing and Shenyang headquarters of two of the most important regional commands, military commanders and troops pledged support to Hua Kuo-feng and the of radical elements within Mao Tse-tung's widow, Chiang.

They were also reported to have been ordered to "study" Mao, who make revisionist mistakes and plots.

Those undecided U.S. voters

BY DAVID BELL IN FOUNTAIN HILL, PENNSYLVANIA

CONFUSED, uninspired and a little irritated, the voters of Fountain Hill will go to the polls in two weeks' time. Their lack of enthusiasm for both presidential candidates is so pronounced that no-one can be quite sure for whom they will vote, or for that matter whether many of them will vote at all.

In this, as in so much else, this small Pennsylvania town typifies the problems facing the Democratic Party in the closing days of a curious campaign. Fountain Hill's 800-strong first ward has almost always picked the winner in presidential elections. It is something of a microcosm of thousands of communities in the major industrial states of the north and mid-west which have become the battleground of this election.

Like many of them also, it is heavily Democratic with a predominantly middle-income population, much of which works in the Bethlehem Steel plant that straggles along the floor of the valley below the town. It is a settled community, proud of its identity and without most of the problems that plague larger urban areas. In 1960, the Kennedy campaign monitored the first ward through the campaign and Mr. Louis Harris, the veteran pollster, still regards it as the most representative political precinct in the country.

Normally, Fountain Hill is the kind of place that the Democratic Party relies on to vote heavily for its presidential candidate. It is here that the Democrats can build up a solid vote to counter Republican strength in the suburbs and in rural areas. In 1968, one of the two occasions since the war when the ward did not pick the winner, it voted overwhelmingly for Mr. Hubert Humphrey, the kind of Democratic candidate with whom its people really feel at home.

But this year, the candidate is a Baptist peanut farmer from a hamlet in Georgia, with no national record, scarcely any standing in the party, and an accent which many people here find a little difficult to understand. In past elections, the

party might have compensated for this with a burst of advertising and all the other hoop-la that used to stimulate support. Tight restrictions on campaign spending imposed by the Federal Election Commission now rule out even that.

There is not even enough money for buttons and bumper stickers. Victory in states like Pennsylvania is particularly important for President Gerald Ford, who lacks Mr. Jimmy Carter's strong southern base, but the Democrats can ill afford to do badly here either. Mr. Carter has returned to Pennsylvania often, and most polls seem to show him well ahead in the state. Fountain Hill is no exception.

It would be ironic if Mr. Carter, the man who prided himself on the fact that he did not need the party, were to win because of it.

tain Hill, however, suggests that he has very little reason to be confident that they are right. A year ago, when a reporter visited the town to test voter attitudes, no one had heard of Mr. Carter. His name is well enough known now, yet all the publicity that has accompanied his success seems not to have wiped away a lingering sense of unease. The people of Fountain Hill still do not, as one of them put it, "feel comfortable" with Mr. Carter.

That was demonstrated in an unscientific, random survey of the first ward in the past two days. Interviews with 133 people, carried out with the help of a local journalist and a lecturer at a nearby university, indicated that Mr. Carter is ahead by 52 votes to 21 for Mr. Ford. But 33 of those questioned are not going to vote and 25 others said they have not yet made up their minds as to whom they favour.

Two said they would vote for Mr. Eugene McCarthy, an independent candidate and former senator from Minnesota whose campaign for the Presidency in 1968 provoked the decision of President Johnson to retire.

The number of people still undecided—a quarter of those intending to vote—is much higher than usual in Fountain Hill at this time in a campaign. It may be that most of them will in the end vote for Mr. Carter, but it is not even possible that many will not vote at all. Small majorities in Democratic areas like Fountain Hill will not give the Democrats the margin they need across the state.

Fortunately for the Democrats, Fountain Hill has no love for Mr.

WORLD TRADE NEWS

U.S. 'no longer worried' over trade with Japan

CHARLES SMITH

UNITED STATES is no longer worried about its trade with Japan, the ambassador to Tokyo, Mr. Hodgson, said today. Mr. Hodgson based his comment on the quarterly figures for the U.S.-Japan trade which showed a very sharp fall in the first and second quarters of 1976 and the July-September period was barely \$100,000,000, according to Mr. Hodgson. He said that the U.S. trade with Japan in April and May was around \$10m. in March.

Footwear complaint

DAVID CURRY

FOOTWEAR manufacturers are threatening to take the Brussels Commission against administrative measures to hold down their prices to France. The claim that delays in import documents are the spirit of an agreement with French footwear manufacturers on July 1st imports of leather shoes have broken off. They are protesting. They want an October 25 deadline for improvements to be made. The French shoe retailers are seriously by the situation. Already in August, purchases in shoes were down from 1.32m. in 1975 to 1.32m. although over the first months of the year as a imports soared from 1.3m. pairs to 5m. pairs. The French shoe retailers are afraid that they will be short of goods to the period to the end of the year. The French shoe

5m. order from U.S.

TRACT worth \$15m. for manufacture of power-shift transmissions for use in earth-moving equipment has been placed with the Transmissions of West Midlands, an unnamed American company. The contract, covering a four-year period, was only the start of long-term supply potential. Transmissions and torque converters are being produced at the company's plant at West Bromwich. New production plant had been installed as part of a \$2m. capital investment programme aimed at increasing the U.K. share of an expanding overseas market for power-shift transmissions and torque converters for industrial, earth-moving and highway vehicles.

Tech trade worsens

PAUL LENDYAI

VIENNA, Oct.

SLOVAKIA'S FOREIGN trade has worsened this month as the first nine months of 1976 compared with the same period last year. State purchases of cattle and poultry fell by 1 per cent. As Soviet crude oil deliveries to Czechoslovakia during the current five-year plan will also fall short of original estimates, Czechoslovakia will have to spend more on fuel imports. According to agreements signed last year, 16m. tonnes of Soviet crude are due in 1976. The crawler order from Marshall of Gainsborough, Lincoln, has been awarded an export order for crawler tractors worth nearly £1m. The contract, placed by the General Export Company of Belgrade, calls for the supply of 15 Marshall "Challenger" 140 brake horsepower crawler tractors, specially equipped with cranes and side booms. These machines, which will be used to lay a giant gas pipe line across Yugoslavia, have to be delivered by March 1977.

Williams & Glyn's

announce that with effect from Tuesday, October 19th, the following rates will apply

Base rate.....14 % p.a.
Deposit rate.....11 % p.a.
Savings account 11 % p.a.

WILLIAMS & GLYN'S BANK LTD

Major sales effort for BAC 1-11

By Michael Donne

Aerospace Correspondent

TOKYO, Oct. 19.

THE BRITISH Aircraft Corporation's current efforts to sell the One-Eleven Series 475 airliner in Japan are part of a major world-wide sales exercise with the One-Eleven now in progress. BAC remains convinced that the One-Eleven—including the short take-off Series 475—has much to offer short-haul airlines through the 1980s.

The company has recently completed a sales demonstration tour of India with the One-Eleven, and also has its sights set on the South American Market for the aircraft. With current One-Eleven sales standing at 220, the BAC is convinced that, notwithstanding the plans by major aircraft builders to develop new aircraft for the future, the One-Eleven still has a good chance of winning orders in under-developed countries.

Australia may buy crude from Indonesia

AMPOL OIL of Australia is expected to sign a contract next month for the purchase of Indonesian crude oil which could possibly swing the balance of trade between the two countries in Indonesia's favour, business sources told Reuters in Jakarta.

Port congestion could cost \$5bn.

BY DAVID EGLI

UNLESS STEPS are taken to reduce port congestion, the economic cost of ship and cargo delays this year could well exceed \$5bn, according to the secretary of the U.N. Conference on Trade and Development (UNCTAD). This alarming assessment, included in a letter to Governments sent out in the last few days, is based on the work of a group of experts which found that in some cases ships have had to spend up to 200 days waiting to proceed to a berth at which they have eventually discharged their cargo in three or four days.

But the recent experience of Nigeria with cement imports, where demurrage charges of \$86.40 per ton brought the total cost of the cargo up to nearly \$158 per ton compared with a c.i.f. value of \$59.50, is only one case in point. The experts also report that a sugar shipment where freight and demurrage charges increased the base price tenfold and they say waiting times of up to 200 days have been reported from several of the most seriously affected ports in Asia and Africa.

To get a better idea of the overall situation, the UNCTAD group compiled monthly figures for the average number of waiting days per ship in a sample of some 30 ports intermittently subject to congestion. Delays increased in the first three months of the year under review from an average of 2.2 days in 1971 to 4.5 in 1973, they then jumped to 14.4 in the next year, while in 1976 days lost through congestion rose on average to 40.5. Such figures apply to both liner and tramp general cargo vessels, but the waiting time for bulk vessels in the same ports was often much longer.

Confirmation of this disquieting supposition is also provided by the Baltic and International Maritime Conference which reports an average increase in waiting time in 25 selected ports from 49 days in July last year to 72 days at the beginning of March this year.

An underlying factor in the general concern over port congestion is the fact that the recent extremely rapid increase in the interest on capital tied up in goods on board which is likely to be around \$2,000 per ship-load per day.

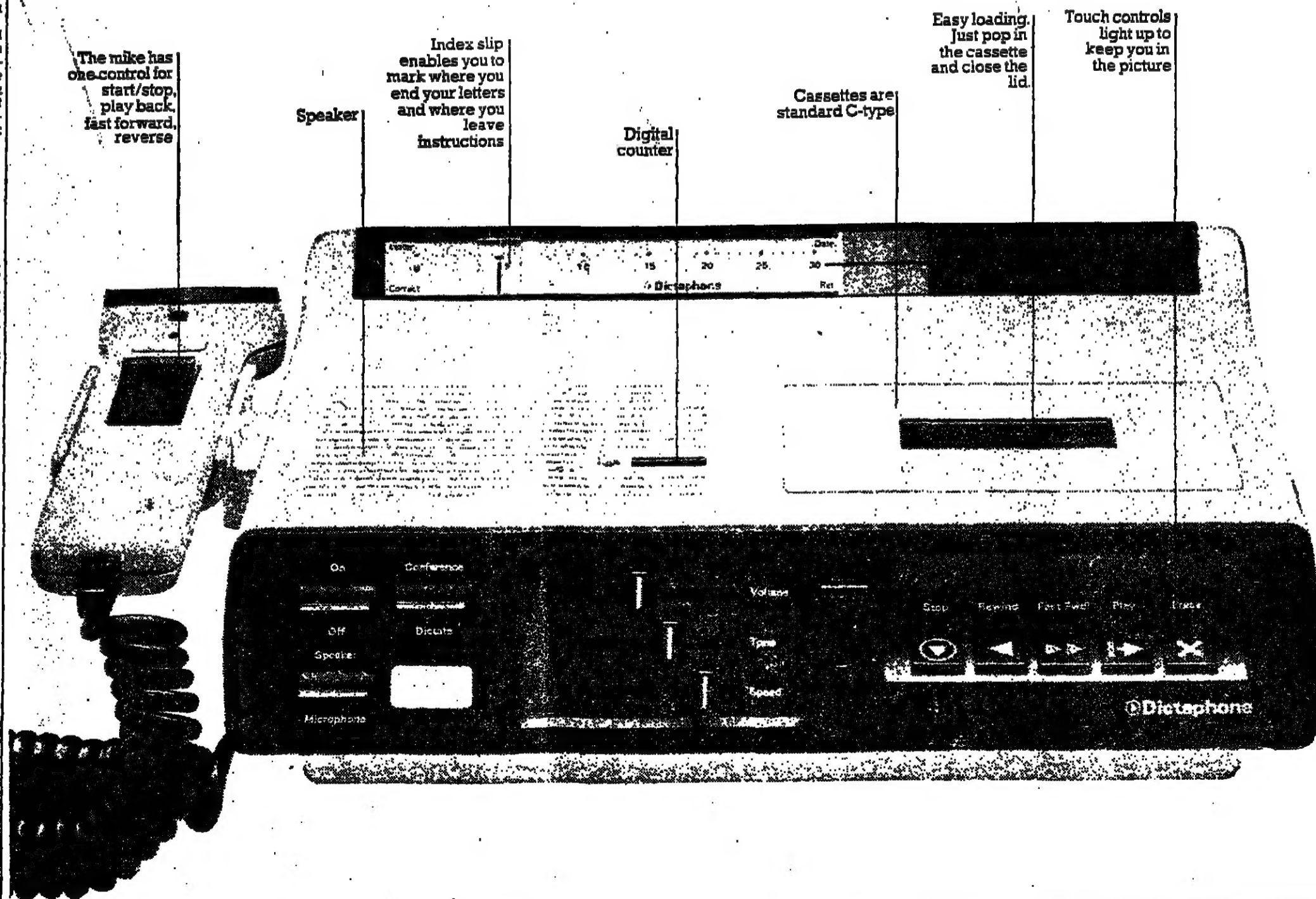
The causes of port congestion are easy to enumerate, ranging from poor management and planning, difficult labour relations, lack of co-ordination and maintenance, irregular traffic to the evident lack of adequate facilities in many instances and the high degree of red tape with respect to processing and documentation. And there is no lack of remedies, at least on paper.

Besides the setting up of task forces, the UNCTAD secretariat recommends a variety of short-term and longer-term measures to ease the situation. On the local level, it is felt, should concentrate on measures to increase berth productivity through longer working hours and extensive use of lighters for shiploading and discharge. But these measures (shorter free time and higher penalty charges) to stimulate the rapid collection of cargo from transit should be accompanied by measures (shorter free time and higher penalty charges) to stimulate the rapid collection of cargo from transit.

On the national level, the port situation can be helped by policies permitting and encouraging the rapid removal of landed cargo. This might include the right to destroy or auction cargo which sits around for too long, and the general streamlining of paper work.

The proposed task forces are seen as a major international effort to find ways out of congestion. But it is stressed that this is not a temporary phenomenon. Indeed the secretariat here is expressing dark thoughts about what will happen when the trade routes feel the full impact of the economic upturn.

Dictaphone introduces the Thought Master dictating machine.



The neat design and new features of the Thought Master make this latest new dictating machine from Dictaphone as helpful to your secretary as it is to you. There is a speed control to slow you down however fast-talking you are. And the special index slip saves typing a letter only to find you've left instructions to alter it further along the tape. Reproduction is crystal clear. Even mumbblers can sound like they're fresh from elocution school.

Making a good secretary's life easier makes your life easier, which is a big advantage in itself. But we have built in some special features to make dictating faster and more efficient.

The bank of controls is forward facing. You don't have to fumble around the side of the machine. So you're thinking about your dictation, not which button you're

going to push next. There's no danger of dictating to an empty machine—it only works when a cassette's in properly. The simple index system saves you time explaining alterations.

TRAVEL MASTER One final thought: Travel Master, one of the world's smallest C-type cassette recorders, can be used with the Thought Master dictating machine. You can dictate in a plane or car and give the cassette to your secretary to play back either on the Thought Master or the Travel Master itself. Strategically located controls give you easy, error-free one-handed operation. The line up of facilities is frankly amazing for a machine of this size.

Dictaphone

To Dictaphone Co Ltd,
Alperton House, Bridgewater Road, Wembley,
Middlesex HA0 1EH. Telephone: 01-903-1477

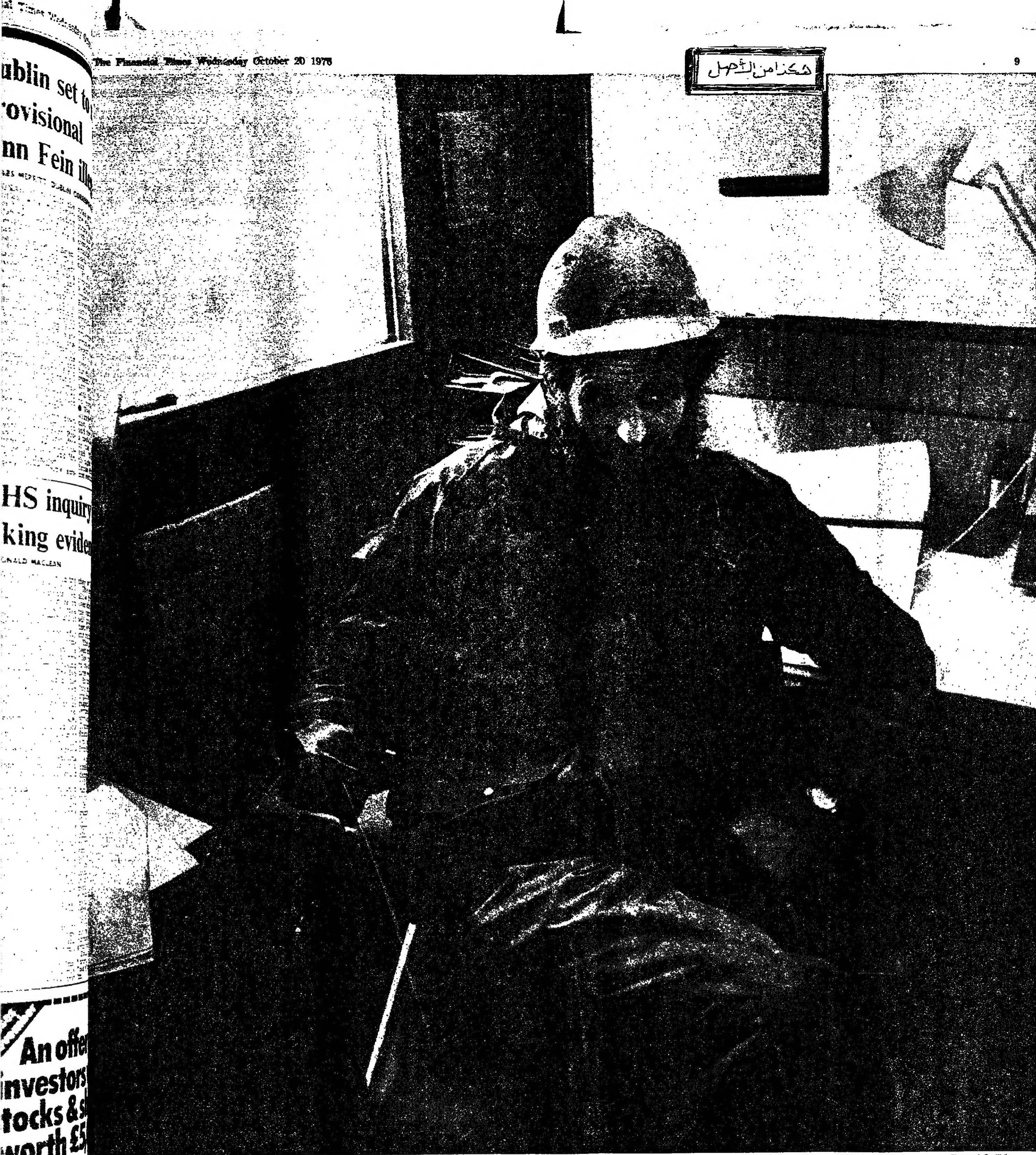
Please send me more information on the Thought Master dictating machine ☐
Please send me more information on the Travel Master ☐
Please ask a salesman to call and arrange a demonstration ☐

Name

Position

Company

Address



Photograph: Gus Wylie

Peter Arnold: travelling shalesman.

Ever since he gave up his job on a dairy farm near Bournemouth, 20 years ago, Peter Arnold has been travelling the world drilling into shales deep underground to bring oil to the surface.

The work has taken him to Canada, Australia, Libya, Angola, Turkey, Mozambique — and now, in the biggest job of them all, to the North Sea.

Peter is a rig supervisor on Beryl A platform, about 100 miles southeast of the Shetland Islands. That's a key job in the drilling operation. It's one he's worked hard for. He's been a roustabout, roughneck, derrickman, driller, and tool pusher on the way up; and none of those jobs is a

picnic. Working on the drilling floor of a rig is tough, dirty work anytime.

This time, Peter Arnold has landed in the middle of an exploration on which more scientific skill, dogged and dangerous hard work, and risk money are concentrated than have ever been brought together anywhere to find oil. People like Peter, along with thousands of others in all sorts of jobs, are deeply involved.

So is Mobil. We've been working in the North Sea for 14 years. We and our partners have uncovered several important fields, and just this autumn we're beginning deliveries from the Beryl field. You may not know that

Mobil also is producing oil and gas in 15 other countries around the world and is a worldwide marketer of petroleum products (we've been doing business in the U.K. since 1886). All in all, we're fairly well experienced travelling shalesmen ourselves.

Britain counts heavily on North Sea oil to help turn the country around and get it moving in healthier economic directions. We count on people like Peter Arnold, and on the British way of getting on with the job.

Between us, very good things are happening.

Mobil®

HOME NEWS

Safety checks faulted after Ilford blast

BY JAMES McDONALD

LAXNESS in carrying out mable, an explosive mixture is whom they are trying to persuade, regular safety checks was blamed produced when a small amount seems to be a major problem, yesterday for the explosion in — about 4 per cent — is mixed says a discussion document published last year at the Ilford, with oxygen and this is easily lished yesterday by the Health Essex. Laporte Industries ignited by a spark or a flame, and Safety Executive.

This conclusion is made in a report by the Health and Safety Executive which says that the explosion of a mixture of gases, oxygen and hydrogen—would not have happened if the required hourly safety checks had been carried out.

The report calls for legislation to regulate the examination of steam boilers to be extended to pressure vessels of this type. (Laporte Industries was prosecuted by HM Factory Inspectorate following the explosion and in March this year the company was found guilty of failing to maintain safety the Lurgi electrolyser involved in the explosion, and was fined £300 with £142 costs.)

After the publication of the report, a senior factory inspector said yesterday: "If the management had taken the trouble to find out the cause of the leak, they would have seen the extent of the erosion and realised they would have had to stop operating."

Mr. John Fallaise, superintending inspector of factories for the London and Home Counties (East) division said that the primary blame rested with the management.

The explosion was caused by the ignition of a mixture of oxygen and hydrogen in the oxygen separator drum of an electrolyser, a sophisticated piece of plant designed to split water into hydrogen and oxygen. Both gases were collected in large pressure vessels, but only the hydrogen was used in the chemical processes with the oxygen released to the atmosphere. Hydrogen being highly sam-

Cracking noises

The report says that this dangerous mixture of gases should have been detected by the hourly manual gas analysis system — an essential safety feature set out in the operating manual. "However, these analyses were not diligently carried out, nor were effective checks made by management to ensure that they were."

Cracking noises heard coming from the cell block three days before the explosion should have been taken more seriously. The report also recommends that both hydrogen and oxygen purity should be monitored by "intrinsically safe" continuous analysers linked to indicator-recorder controllers which should be interlocked so as to stop the plant in the event of abnormal purity readings. Because of the design of the building housing the plant, the presence of buildings around the site, and the "extremely unlikely possibility of anything more than a limited amount of hydrogen entering the oxygen drum, members of the public were not exposed to risk."

The explosion at Laporte Industries Ltd., Ilford, April 5, 1975, SO, £125.

The low status of safety officers in comparison with that of the supervisors and managers

The document, investigating the role, functions, and training of a number of safety officers, is based on a sample survey of their activities in 23 companies. Five of the officers interviewed seemed to be "loners" and isolated from colleagues and management both socially and at work. "It is possible that they were treated with derision, a fact which may have made their chances of influencing the company's safety policy increasingly difficult as time went on," says the document.

Only six of the group were able to influence the design of new machines and processes. "The rest tended to see or hear about new machines or processes after the decision to buy or after it had been installed and were thus too late to influence early design or buying decisions."

Only four safety officers were involved in the safety analysis of all company jobs with a view to drawing up safe procedures, although existing training courses taught that this was an essential part of a safety officer's job.

The Health and Safety Executive stresses that the document is not aimed at making recommendations, but to pose questions and to stimulate discussion on the activities of safety officers. It asks for views and comments to be sent to the Executive before the end of this year, and it is hoped these will contribute to any deliberations by the Health and Safety Commission about the need for the role, and the possible training requirements of safety officers and advisers.

Safety Officers: Sample Survey of Role and Functions. Health and Safety Executive. Chiswick, Middlesex, W2.



To mark the centenary of the Royal Company of Archers, the sovereign's bodyguard in Scotland, the Queen yesterday inspected a parade of the men at the Palace of Holyroodhouse in Edinburgh.

Production of Scotch whisky still falling

BY KENNETH GOODING

THE DRAMATIC decline in production of new Scotch whisky continued in the first half of 1977 according to Customs and Excise statistics released yesterday.

Only 71,25m. gallons of Scotch were produced, a fall of 12.8 per cent. from the 81.7m. gallons made in the same six months last year.

In turn, 1975 was a poor year for whisky output, and showed a slump of 13.5 per cent. on the 1974 first-half total.

There are two schools of thought about this sharp decline. Some in the industry argue that it has been brought about by the high cost of financing whisky stocks, and that many companies cannot afford to produce as much as they would like.

Certainly, the pressures of financing the build-up of stocks required to meet the anticipated demand for Teacher's Highland Cream led to that company last week seeking a merger with a stronger partner in Allied Breweries.

Others—including many outside observers of the industry—believe that the major companies, in particular the Distillers Company which accounts for well over half of all the Scotch produced and sold, have revised downwards their estimates of future demand.

In the past, the industry has looked for a 6 to 8 per cent. annual increase in world-wide Scotch sales, but world consumption in the first half of 1976 rose by only just over 0.5 per cent. to 45,24m. gallons.

The output in the January to June period this year included 33,55m. gallons of malt whisky, a drop of 11.8 per cent. on the same months a year ago. In turn, last year's output was more than 8 per cent. below the 1974 total.

Some 37.4m. gallons of grain whisky were produced in the first half-year, down 12.7 per cent. on the first half of last year—in turn down 16.8 per cent. on the 1974 output.

In an important judgment, he said industrial tribunals should take a broad view when considering claims. The Act did not require them to decide whether any particular type of work was suitable for women.

He was explaining why the tribunal was turning down the appeal of Capper Pass, North Ferris, Humberside, against an industrial tribunal decision that Mrs. Barbara Lawton, who cooks lunch for the company's directors, was entitled to the same pay as two male assistant chefs in the factory canteen.

Last week Mr. Justice Phillips overturned an industrial tribunal decision against a claim by Eve Trust Houses, Fort Worth, Texas, for the 51p an hour paid to a waiter "banqueting supervisor."

The company argued that after the waiter's promotion to banqueting supervisor, his work was "like" the work of the women banqueting supervisors.

Yesterday Mr. Justice Phillips said work did not have to be of the same nature in order to be "like" work. It was enough for it to be broadly similar. Nor was it the Act's intention that tribunals undertake too minute an examination to find that work was not "like" merely because of insubstantial differences.

If a tribunal decided that the women's work was broadly similar, it then had to consider whether the differences were of "practical importance in relation to terms and conditions of employment."

The only differences which would prevent broadly similar work being classed "like work" were those which in practice would be reflected in terms and conditions of employment.

Department of Employment inspectors yesterday carried out the second phase of their "blitz" against low-paying employers when they visited shops and offices in five towns throughout the U.K. They were in Brighton, Loughborough, Northwich and Shipley.

In the first phase of the "blitz," inspectors found that 778 employers had been underpaid a total of £36,750 in the eight towns covered.

Knitting deal A pay deal for more than 50,000 workers in the knitwear industry, giving rises of between 2.50 and 2.75 in line with the new pay policy, was agreed by management and union representatives. The settlement is due to be implemented in January.

LABOUR NEWS

NEWS ANALYSIS—CLOSED SHOP

Fifty British Airways staff lobby MPs

BY DAVID CHURCHILL, LABOUR STAFF

ABOUT 50 staff of British Airways, which has more than 45,000 employees in the U.K. alone, last night lobbied their MPs at the House of Commons in protest at an impending closed-shop agreement in the state-owned airline.

The 50 were protesting at lack of consultation over the introduction of a closed shop, claiming that it is being negotiated without the full knowledge or consent of all staff and that senior BA management are refusing to discuss their objections.

Their protests are the latest in a long line of objections this year from employees who have fallen foul of closed-shop agreements in nationalised industries, such as British Rail and electricity supply, and in many private enterprises, such as Vauxhall Motors and national newspapers.

Since the Trade Union and Labour Relations Act of 1974, strengthened by an amendment last March—removed the bar on closed shops imposed by the Conservatives' Industrial Relations Act of 1971—many trade unions have been pressing for closed shops.

This year claims for closed shops on behalf of over 3m. workers have been lodged, with an estimated 1m. workers already covered by some form of closed-shop agreement.

In many cases employees are happy to reach agreement with the unions on compulsory union membership—usually for new recruits—rather than existing staff because of the improved industrial relations that result.

But employees not in unions have been increasingly vocal in opposition, claiming that closed shops deny employees vital freedom of choice.

This opposition put up in most cases by only a tiny proportion of employees, stems from the fact that neither the 1974 Act nor the more recent Employment Protection Act gives any right to

individual employees to be consulted over pending closed-shop agreements.

In fact the 1974 Act is carefully designed to be neutral on the issue. It has the effect of making closed shops "not unlawful" rather than giving positive support to their introduction.

The only way a closed-shop agreement can be achieved is by the employer and trade union representatives agreeing to it. The Act cannot be used to force an employer to implement a closed shop, nor to lay down any procedure for consultation or implementation.

Disgruntled employees have no recourse to the Independent Arbitration Service, which can only investigate an industrial relations situation—including pending closed shops—if asked by an employer or an independent trade union.

The only real restriction imposed by the legislation is that a dismissal for refusing to join an appropriate union would be an unfair dismissal if the employee had legitimate religious objections to the closed shop.

The decision by the small group of British Airways staff to oppose the closed shop by publicising both nationally and within the corporation, as well as seeking MPs' support, is the only means they have of making their case heard.

Of BA's employees, the bulk of whom work at London's Heathrow airport, most are already members of one or other of the 13 unions seeking a closed shop, so BA management feels that a closed shop is a practical step towards maintaining good industrial relations.

The only real question is what type of agreement can be reached, whether existing employees should be exempted from the closed shop or forced

to join a union, with a if they refuse.

But about 550 BA staff signed a recent protest feel that more debate closed shop should be he newly-formed Action Co representing this view that its own sample of 400 of them were opposed closed shop, even though 60 per cent. of those were already in a trade union.

The protesters hope making their objection closed shop clear before agreed they can avoid a tition in British Rail following introduction of a closed shop.

Since then, so employees have been afraid bitter accusations some employees that th ment which enforced membership for existing as new staff was negotiat out, they are not being fully consulted.

The British Airways are planning their hopes support, especially sin James Prior, shadow minister spokesman, at the conservative Party conference in the BR closed the "most restrictive oments" in the nati industries.

But Mr. Prior made that the Tories do not in outlaw the closed shop, they are not. Instead, he "spelled" rigorous safeguards and procedures to allow the right to opt out a membership on conscient well as religious grounc

In the meantime, of the closed shop who feel it is unfairly stron resign over the issue mtrial relations.

The tactics used by staff in the Southern Reg are seeking to domina union branches in o further their opposition gulatory union members

Minor job differences 'no bar to equal pay'

By Our Labour Staff

TRIVIAL DIFFERENCES between otherwise broadly comparable jobs should not prevent women claiming parity with men under the Equal Pay Act, Mr. Justice Phillips, president of the Employment Appeal Tribunal, said yesterday.

In an important judgment, he said industrial tribunals should take a broad view when considering claims. The Act did not require them to decide whether any particular type of work was suitable for women.

He was explaining why the tribunal was turning down the appeal of Capper Pass, North Ferris, Humberside, against an industrial tribunal decision that Mrs. Barbara Lawton, who cooks lunch for the company's directors, was entitled to the same pay as two male assistant chefs in the factory canteen.

Last week Mr. Justice Phillips overturned an industrial tribunal decision against a claim by Eve Trust Houses, Fort Worth, Texas, for the 51p an hour paid to a waiter "banqueting supervisor."

The company argued that after the waiter's promotion to banqueting supervisor, his work was "like" the work of the women banqueting supervisors.

Yesterday Mr. Justice Phillips said work did not have to be of the same nature in order to be "like" work. It was enough for it to be broadly similar. Nor was it the Act's intention that tribunals undertake too minute an examination to find that work was not "like" merely because of insubstantial differences.

If a tribunal decided that the women's work was broadly similar, it then had to consider whether the differences were of "practical importance in relation to terms and conditions of employment."

The only differences which would prevent broadly similar work being classed "like work" were those which in practice would be reflected in terms and conditions of employment.

Department of Employment inspectors yesterday carried out the second phase of their "blitz" against low-paying employers when they visited shops and offices in five towns throughout the U.K. They were in Brighton, Loughborough, Northwich and Shipley.

In the first phase of the "blitz," inspectors found that 778 employers had been underpaid a total of £36,750 in the eight towns covered.

Knitting deal A pay deal for more than 50,000 workers in the knitwear industry, giving rises of between 2.50 and 2.75 in line with the new pay policy, was agreed by management and union representatives. The settlement is due to be implemented in January.

Leyland talks fail to end APEX row

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

LEYLAND CARS is threatened been laid off at Jaguar, who further substantial production disrup the after following the breakdown and Rover assembly it of talks last night with white-collar workers on strike at its Castle Bromwich plant, Birmingham.

About 600 staff—all members of the Association of Professional, Executive, Clerical, and Computer Staffs (APEX), are protesting at the appointment of a materials control manager from outside the plant.

They also want compensation for the pay they have lost as a result of their walkout. No further talks with management are planned. Mr. Ray Edwards, APEX assistant general secretary, said the strikers were likely to get official backing to a day after which pickets would be used.

Production has continued at the Castle Bromwich, but at reduced levels. The factory supplies the Mini, Jaguar, and management. The dispute the new Rover. About 2,000 pro have been settled quick duction workers have already easily.

They also want compensation for the pay they have lost as a result of their walkout. No further talks with management are planned. Mr. Ray Edwards, APEX assistant general secretary, said the strikers were likely to get official backing to a day after which pickets would be used.

Production has continued at the Castle Bromwich, but at reduced levels. The factory supplies the Mini, Jaguar, and management. The dispute the new Rover. About 2,000 pro have been settled quick duction workers have already easily.

They also want compensation for the pay they have lost as a result of their walkout. No further talks with management are planned. Mr. Ray Edwards, APEX assistant general secretary, said the strikers were likely to get official backing to a day after which pickets would be used.

Production has continued at the Castle Bromwich, but at reduced levels. The factory supplies the Mini, Jaguar, and management. The dispute the new Rover. About 2,000 pro have been settled quick duction workers have already easily.

They also want compensation for the pay they have lost as a result of their walkout. No further talks with management are planned. Mr. Ray Edwards, APEX assistant general secretary, said the strikers were likely to get official backing to a day after which pickets would be used.

Production has continued at the Castle Bromwich, but at reduced levels. The factory supplies the Mini, Jaguar, and management. The dispute the new Rover. About 2,000 pro have been settled quick duction workers have already easily.

They also want compensation for the pay they have lost as a result of their walkout. No further talks with management are planned. Mr. Ray Edwards, APEX assistant general secretary, said the strikers were likely to get official backing to a day after which pickets would be used.

Production has continued at the Castle Bromwich, but at reduced levels. The factory supplies the Mini, Jaguar, and management. The dispute the new Rover. About 2,000 pro have been settled quick duction workers have already easily.

They also want compensation for the pay they have lost as a result of their walkout. No further talks with management are planned. Mr. Ray Edwards, APEX assistant general secretary, said the strikers were likely to get official backing to a day after which pickets would be used.

Production has continued at the Castle Bromwich, but at reduced levels. The factory supplies the Mini, Jaguar, and management. The dispute the new Rover. About 2,000 pro have been settled quick duction workers have already easily.

They also want compensation for the pay they have lost as a result of their walkout. No further talks with management are planned. Mr. Ray Edwards, APEX assistant general secretary, said the strikers were likely to get official backing to a day after which pickets would be used.

Production has continued at the Castle Bromwich, but at reduced levels. The factory supplies the Mini, Jaguar, and management. The dispute the new Rover. About 2,000 pro have been settled quick duction workers have already easily.

Building societies agree new insurance arrangements

BY MICHAEL CASSELL

NEW ARRANGEMENTS covering the controversial subject of endowment mortgages have been agreed between the Office of Fair Trading and the building societies.

The new voluntary arrangements were first outlined by the Office more than a year ago, when the two sides agreed that applicants for mortgages should be given some choice of insurer for the insurance on their property and an opportunity to nominate a particular company.

Under the guidelines which have now been circulated to societies, applicants will be able to use existing endowment policies as security for endowment loans or can use the insurance company of their choice, provided certain safeguards are met.

The agreement is aimed at helping borrowers to use their rights as consumers to shop around and prevent what the Office believes to be a potentially restrictive practice. Until now, societies have normally stipulated which insurance company should be used to insure properties on which they advance money.

The societies have defended this arrangement on the basis that because the property in question also forms the security for the loan, they must be sure of the insurance company's financial standing. They have also emphasised that benefits, in relation to the size of commissions and prompt action in handling claims, which regular and large-scale dealings with one insurance company can bring.

Mr. Frank Glaves-Smith, Deputy Director-General of Fair Trading, told the annual conference of the Metropolitan Association of Building Societies in Eastbourne that the new

guidelines should also "provide a check on the pressures which may be used by some branches of building societies to sell the endowment method of repayment or the policies of particular companies."

Mr. Glaves-Smith said that societies should not expect to share in endowment commission when an applicant for a mortgage has independently arranged a policy before making a mortgage application. In other circumstances, the sharing of commissions may be permissible.

He continued: "In addition, I am negotiating with the BSA to see if the 1975 agreement, which gave some choice of fire insurance to new borrowers, can be extended in any way to existing borrowers. We are also discussing ways of ensuring that inflation does not lead to mortgaged properties being under-insured. Arrangements for simultaneous structural surveys and valuations are also under consideration."

Mr. Glaves-Smith added: "This agreement holds out the prospect of more flexible arrangements for mortgage applicants. I hope that societies will give full effect to the arrangements quickly."

Under the guidelines which have now been circulated to societies, applicants will be able to use existing endowment policies as security for endowment loans or can use the insurance company of their choice, provided certain safeguards are met.

The agreement is aimed at helping borrowers to use their rights as consumers to shop around and prevent what the Office believes to be a potentially restrictive practice. Until now, societies have normally stipulated which insurance company should be used to insure properties on which they advance money.

The societies have defended this arrangement on the basis that because the property in question also forms the security for the loan, they must be sure of the insurance company's financial standing. They have also emphasised that benefits, in relation to the size of commissions and prompt action in handling claims, which regular and large-scale dealings with one insurance company can bring.

Mr. Frank Glaves-Smith, Deputy Director-General of Fair Trading, told the annual conference of the Metropolitan Association of Building Societies in Eastbourne that the new

guidelines should also "provide a check on the pressures which may be used by some branches of building societies to sell the endowment method of repayment or the policies of particular companies."

Mr. Glaves-Smith said that societies should not expect to share in endowment commission when an applicant for a mortgage has independently arranged a policy before making a mortgage application. In other circumstances, the sharing of commissions may be permissible.

State aid urged for first-time home buyers

A WARNING of "a serious shortfall" in house building next year was given yesterday by Mr. Charles Mitchell, president of the House Builders' Federation.

He told the Federation's annual conference in London that the outlook for both private and local-authority housing sectors remained very bleak.

Mr. Mitchell referred to the Government's intention to reduce the rate of council housing starts during 1977 to well below the current year's total of 150,000, which, he said, left a gap in housing output that would have to be filled over the next year or two.

He recalled that the forecasts for private housing work during 1977 also anticipated a reduction, and said that this year's projected annual total of between 160,000 and 170,000 could be down to 150,000 over the next 12 months.

Even this figure could prove optimistic where income restraint, higher mortgage rate and the imbalance between house

prices and building costs had taken effect. The Federation says the prospect should be a matter of deep concern to the Government, to people seeking homes, and to the house-building industry. Positive policies to correct the situation are needed urgently, it believes.

Mr. Mitchell continued: "We cannot look to the public sector for salvation. It is in all our interests, therefore, for the Government to seek to stimulate the private housing programme as quickly and as effectively as possible."

"They have the instrument to hand for doing so in the forthcoming housing policy review. What is needed is direct financial assistance for first-time home buyers. Acting along these lines, it now needed more urgently than ever if a serious shortfall in total housing output is not to happen over the next two years."

Under the guidelines which have now been circulated to societies, applicants will be able to use existing endowment policies as security for endowment loans or can use the insurance company of their choice, provided certain safeguards are met.

The agreement is aimed at helping borrowers to use their rights as consumers to shop around and prevent what the Office believes to be a potentially restrictive practice. Until now, societies have normally stipulated which insurance company should be used to insure properties on which they advance money.

The societies have defended this arrangement on the basis that because the property in question also forms the security for the loan, they must be sure of the insurance company's financial standing. They have also emphasised that benefits, in relation to the size of commissions and prompt action in handling claims, which regular and large-scale dealings with one insurance company can bring.

Mr. Frank Glaves-Smith, Deputy Director-General of Fair Trading, told the annual conference of the Metropolitan Association of Building Societies in Eastbourne that the new

guidelines should also "provide a check on the pressures which may be used by some branches of building societies to sell the endowment method of repayment or the policies of particular companies."

Grimond diagnoses a decline of conscience

THE root cause of Britain's ills is a "decline in conscience," said Mr. Jo Grimond, former Liberal leader, yesterday.

Conservative has been handed over to pressure groups, and the bureaucratic growth of social services "a sort of godless church" had sapped the will to follow our consciences, he said in a public lecture at Heriot-Watt University, Edinburgh.

To make conscience more effective in public affairs, the first step needed was to check inflation—by reducing non-productive bureaucracies, including the social services.

"If the Social Services had found the wounded traveller to day he would, like the Pharisee, have passed by on the other side of the road—but for different reasons. He would have argued that this was a case for the director of maladjusted cases."

And the traveller would have gone untreated, because the director would be either dealing with a mountain of correspondence or would be away at a conference on socially deprived travellers suffering from non-integration.

The decline in conscience was seen in the total disregard for the general interest. The bureaucracy of each organisation, each procession, each trades union, tries to get as much as it can for itself. Never for the common good. Do you bear a university protesting that it would be in the general interest to reduce the amount of money it receives?

"The root cause of our troubles over inflation, our dissatisfaction with political system, the bad working of the system itself, the violence of our times, is a decline in conscience."

The policies of political parties were frequently irrelevant. No one pretended that the Dock Work Regulation Bill, the nationalisation of shipbuilding and aircraft industries, or the Government's devolution proposals would do anything except evade our problems.

"They are put in because they appeared in an election manifesto to please self-seeking, well-organised interest groups. The political system is not working."

Under the guidelines which have now been circulated to societies, applicants will be able to use existing endowment policies as security for endowment loans or can use the insurance company of their choice, provided certain safeguards are met.

The agreement is aimed at helping borrowers to use their rights as consumers to shop around and prevent what the Office believes to be a potentially restrictive practice. Until now, societies have normally stipulated which insurance company should be used to insure properties on which they advance money.

The societies have defended this arrangement on the basis that because the property in question also forms the security for the loan, they must be sure of the insurance company's financial standing. They have also emphasised that benefits, in relation to the size of commissions and prompt action in handling claims, which regular and large-scale dealings with one insurance company can bring.

Mr. Frank Glaves-Smith, Deputy Director-General of Fair Trading, told the annual conference of the Metropolitan Association of Building Societies in Eastbourne that the new

guidelines should also "provide a check on the pressures which may be used by some branches of building societies to sell the endowment method of repayment or the policies of particular companies."

Promises to one-parent families 'not fulfilled'

BY DONALD MACLEAN

THE GOVERNMENT has failed to make good on its promise to help one-parent families, the National Council for the Parent Family claims in a statement released today.

Two million states have been "partially" implemented, for an amount and three have been cancelled.

The Government has kept "one constructive promise"—that from November, lone parents can earn 55 £2 more than other families before their supplementary benefit is cut.

Mrs. Margaret Braum, director of the Council, said: "In a bitter attack on the annual report of last year's debate in the Commons on the Report of the Committee on the Parent Family, she says: 'Promises are the Government's substitute for action. But children can eat promises.'

An undertaking given in the debate that the Government would not introduce in the near future a postal benefit for lone parents looked "like being kept for a long time."

Overall responsibility for implementing the finer report, she says, is "Now not with anyone," after having been undertaken by the Secretary for Social Services, the Minister of Education, and the Minister of Health.

Under the guidelines which have now been circulated to societies, applicants will be able to use existing endowment policies as security for endowment loans or can use the insurance company of their choice, provided certain safeguards are met.

The agreement is aimed at helping borrowers to use their rights as consumers to shop around and prevent what the Office believes to be a potentially restrictive practice. Until now, societies have normally stipulated which insurance company should be used to insure properties on which they advance money.

Cash flow aid venture launched

FINANCIAL TIMES REPORTER

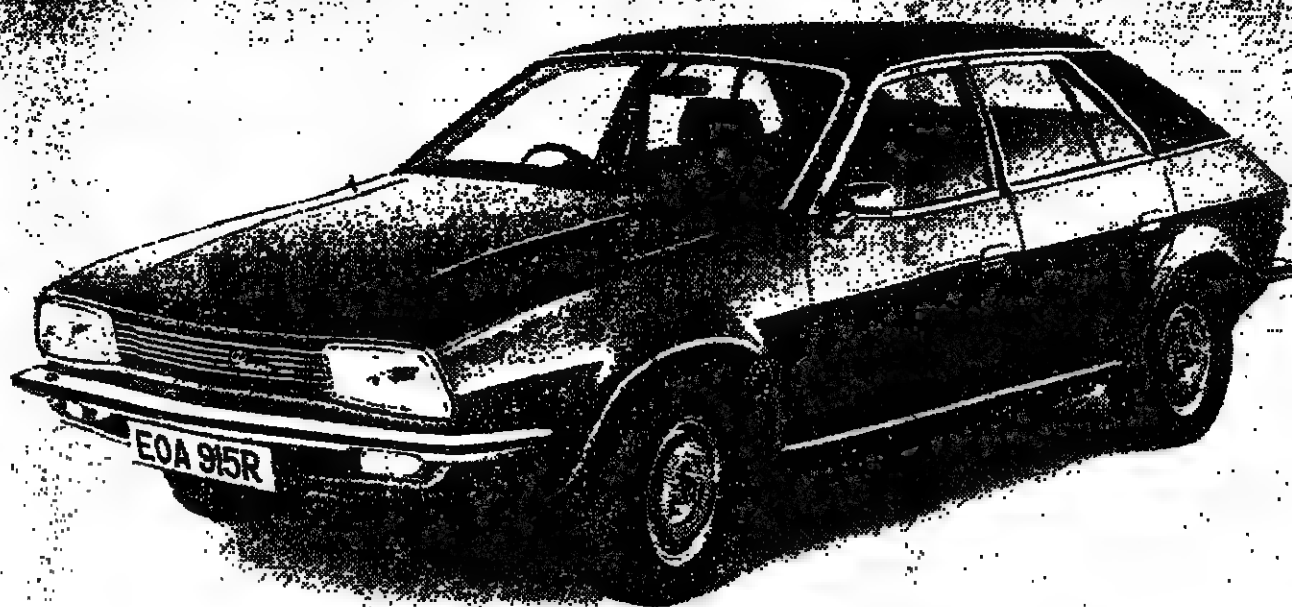
A SERVICE to help companies with cash flow and credit risk problems has been launched under the name Controlled Debtor Cash Flow.

The service is aimed at companies with a turnover of between £2m. and £10m. a year. It is provided on a fee basis by the Financial Times, a member of the Walter E. Heller Inter-

national Corporation, a subsidiary of Citicorp, and Credit Insurance Association, part of the Citicorp group.



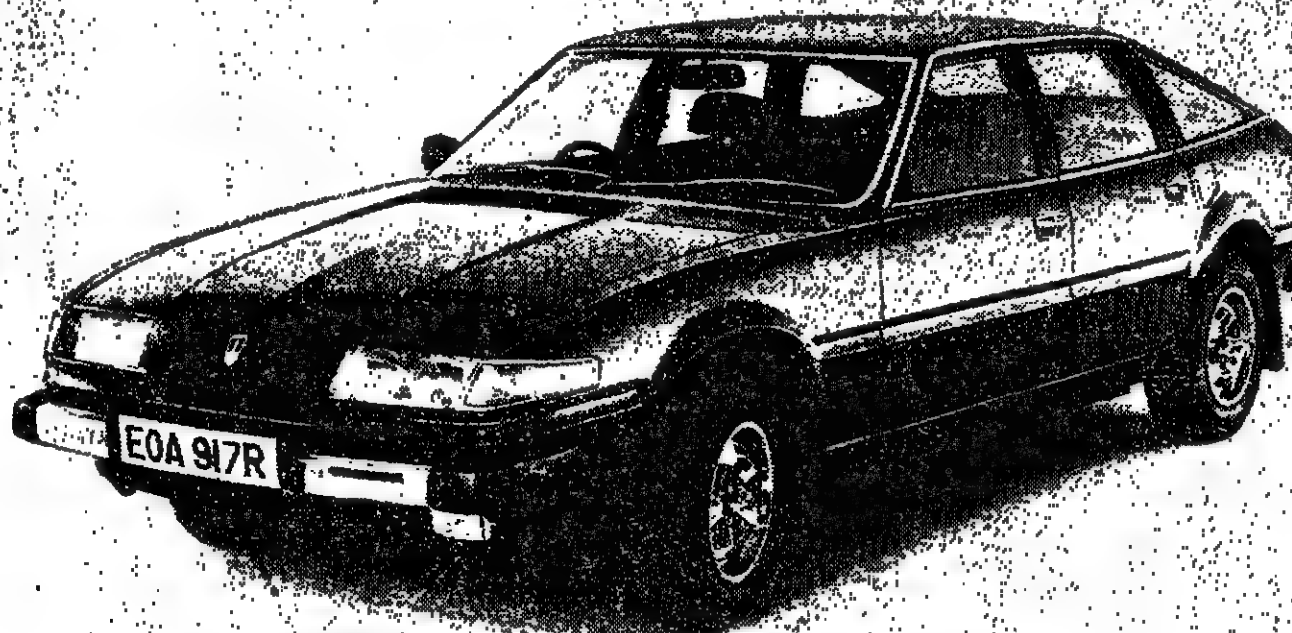
Jaguar XJS: launched September 10th 1975.
"Superbly engineered and designed, perhaps the quietest and most comfortable high performance car on European roads," Financial Times.



The new Princess range: launched October 20th 1975.
"The most exciting piece of styling carried out in Britain since the war," Daily Express.



Triumph TR7: launched May 19th 1976.
"a combination of positive controls, well balanced suspension and flexible motor gave exceptional driveability," Car Mechanics.



Rover 3500: launched June 30th 1976.
"A superb car, brilliantly engineered, that (for the price) is streets ahead of anything else - and better than many more expensive cars," Motor.

Not bad, for one year in business.

Last year, the British motor industry officially took on the new name of Leyland Cars.

First, they launched the most luxurious, most expensive and most exclusive Jaguar ever.

And the XJS, along with a good deal of envy, attracted a lot of foreign buyers.

(At present, export orders are standing at over the £10 million mark.)

Just one month after the XJS came the four-car Princess range with its innovatory and highly successful wedge design.

Then, in May this year, appeared a revolutionary new sports car: the TR7.

And to round off the year in superb style, Leyland Cars announced its car of tomorrow: the new Rover 3500.

Now, to launch exciting new cars like these in one year may seem extraordinary enough.

Leyland Cars went one better.

For, at the same time, they introduced the kind of warranty no other manufacturer would dare: Supercover.

With Supercover you get a parts and labour guarantee for the first twelve months (mileage is unlimited).

You're entitled to the full benefits of AA membership

(including free roadside assistance, Five Star Travel Service, legal advice etc).

You qualify for free AA Relay recovery service.

If your car breaks down and can't be fixed on the spot, the AA will transport it to the nearest Leyland Cars garage (in the mainland U.K.).

And as Leyland Cars have the largest sales and service network in the country (with around 2,600 garages) it won't have far to go.

One last thing: before you take delivery of your car it's given a free 69-point checkout.

So you may never need Supercover in the first place. But even if you don't, it's good to know it's there.

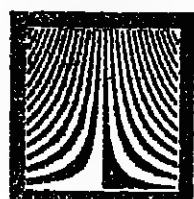
Justifiably then, with a first year like this behind them, Leyland Cars feel pretty confident.

You can too.

Because Leyland Cars mean great cars. And a great deal more.

Leyland Cars

The one car manufacturer we all have an interest in.



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOTTERS

METALWORKING

Damaged shafts and rolls repaired

WORK, DAMAGED or corroded Details from the marketing agent, Hull, Blyth and Co. spindles, rollers, wheels, 20 Bedford Row, London WC1R 4EU (01-405 2115). Licensees to anything which can be rotated in the process are being sought and training courses for repaired by a spiral welding process, developed by Fleetworks, are available at Fleetworks, Poole, Dorset (02013 3031).

According to the company, metallurgical studies have shown that the repairs are satisfactory provided the procedure specified by Donald Healey, inventor of the process, is followed. He emphasises that he will only recommend the method for marine and other critical applications where a DIT classification or insurance company surveyor's approval has been obtained.

Main advantages claimed for the process are that repairs can be effected quickly by licensed operators at 50 per cent. of the replacement cost, and maintenance downtime is greatly reduced, since by recycling a worn component fit-up with existing parts is simplified.

Based on the metal/inert gas (MIG) welding process, the technique provides a layer of repair metal similar in chemical composition to the original material (provided the correct feed wire is selected). Alternatively, heat improved corrosion resistance, wear, or bearing properties can be obtained by cladding the worn component with a compatible alloy.

Careful control of the parameters governing heat input and deposition mode, is stated to ensure that the reclamation metal is fused to the component being repaired, and canations become detached, while the shallow heat-affected zone practically eliminates distortion and dimensional changes.

The company claims that the cladding generally contains fewer inclusions than the parent metal, imparting improved mechanical properties. It is stated that this has been demonstrated experimentally under both static and dynamic conditions.

- 1 You can pay a regular monthly amount, thus spreading the cost of your gas evenly throughout the year—by Standing Order through a bank, or Post Office Giro, or through the bank's own budget account facilities. Or, if you haven't got a bank account you can use our Monthly Gas Vouchers.
- 2 If you'd prefer to put more aside at some times than at others, you can buy our 50p. Gas Saving Stamps from your local gas showroom—as and when you want.

Availability of some schemes is not yet complete in every Region.

To: British Gas, Dept. H.C.A., 326 High Holborn, London, WC1V 7PT. Please send the details of your Easy Payment schemes, as ticked:

Name _____

Address _____

Town _____

Gas Region _____

☐ Monthly Budget Payment Scheme.

☐ Monthly Gas Vouchers.

☐ Gas Saving Stamps.

BRITISH GAS

Gain control of your company

Lease a Sperry Univac 1100 computer. It's the general purpose computer at the heart of many great companies. And the leasing rate is fixed for five years.

Ask your secretary to ring our Marketing Director on 01-387 0911. He'll send you details of the powerful Sperry Univac 1100 general purpose computer and our unique 5 year, fixed rate Leasing Scheme.

moulding or toolmaking service. Full information on the process is being disclosed on November 2 in "Hydro-Plastic Moulding (hpm)" by Farel Bradbury. Publishers are Hydatum, and the book is distributed by Bradbury Controls, Ross-on-Wye. 0600 51599.

HANDLING Batteries drive for fork-lifts

CHLORIDE GROUP Industrial battery manufacturer, has announced the formation of a new consultancy service to identify the areas where increased use could be made of battery-operated, pollution-free fork-lift trucks.

The consultancy service has been created as a direct result of the increased pressure from unions and managers for an improved environment and greater efficiency. It will be led by Dr. Brian Edwards, director of the motive power projects group of Chloride Technical, based at Swinton, Manchester, and by Mr. Chris Morris, manager of the group.

This section of Chloride was responsible for pioneering work on the Silent Rider Battery Bus and, more recently, the Silent Karrier battery-operated 35 cwt delivery vehicle in service with National Carriers.

Studies have already begun on applications in which electric-powered vehicles have so far been regarded as unacceptable. Checks are being made at separate installations currently using lift trucks with internal combustion engines.

CREST OF the present wave of product announcements from Hewlett-Packard must be yesterday's unveiling of an improved family of baby computers which slot into the company's range at the low end.

But the 1000 Series is taking advantage of improved memory, processor and disc technology to provide much more power at considerably lower cost and while it is aimed primarily at scientific and industrial users, commercial customers will not be far behind, provided the applications package support is forthcoming.

There is no reason to suppose it will not be, since the company will steer commercial clients towards Seison for any commercial software required, or train company staff in methods of programming the equipment. One thing HP will not do is write applications programs itself.

Prices of the equipment run from £29,680, or about 9 per cent. less than existing comparable equipment, up to about £50,000.

Standard for the larger units and optional for the smaller ones is a database management software package called Image/1000 for which the company is wholly responsible.

The company has OEM houses in mind and will be selling in bulk to these at prices up to 30 per cent. off list, the only proviso being that while the production line is getting into its stride, there will be a hold on selling central processors alone.

Meanwhile, Hewlett-Packard asserts that it is now the second largest minicomputer manufacturer in the world after DEC, despite earlier claims by Data General.

That the company intends to continue its growth in one of the most hotly contested market places in modern technology is underlined by the claim that it has now mastered the problems of manufacturing large scale integrated circuits according to the silicon on sapphire (SOS) process—a most difficult technology which, however, holds the reward of a five-fold speed-up on any other process for the production of microcircuits. But mastering this process has cost Hewlett-Packard about \$20m, and an undisclosed number of man-years of research and development effort.

Six to eight years ago, everyone was working on MOS, including a number of groups in the U.K. Now, so far as is known, the only other real contender with HP in the U.S. is RCA.

Obviously, no user cares what the manufacturer has put under the control panel. But he does care what the manufacturer charges him for a given level of performance.

This is where HP expects to score when it begins to use SOS circuits on a large scale in its products in 18 months to two years.

Challenged on this use of technology in a sales attitude, Derek Smurthill, technical director of HP in Britain, pointed out that a company the size of HP, working in the fast-moving market of instruments and small computers cannot afford to develop a whole new technology and put it on the shelf to await competitors' moves, as IBM is purported to do as a matter of course.

The time cycle is far shorter in the HP corner of the world and "two years is a long time in minicomputers."

More from Hewlett-Packard on Wokingham 76774

Redifon's licence renewed

FOLLOWING expiration of an agreement signed in 1971 between Redifon Computers and The Entrex Corporation of Burlington Massachusetts, a new agreement has been signed between the two companies covering a further five years of commercial and technical co-operation.

Under it Entrex renews Redifon's licence to manufacture the Serech range of data entry computers for a further five years and extends Redifon's marketing rights for the same period. In addition the companies agree to exchange hardware and software improvements relating to the Serech range during the period.

Redifon further has an option on new computer products emanating from Entrex during the period. Redifon, Kelvin Way, Crawley, Sussex, Crawley (0293 31211).

Coaters for vacuum processes

TWO NEW vacuum coaters for use in the optical and electronic industries, and allied industrial/scientific fields have been brought out by Edwards High Vacuum (part of BOC). Chamber sizes are 480 mm and

610 mm diameter respectively. The 480 is for research and development, or batch production; the 610 is designed mainly for high throughput production or for handling larger substrates. The units have extremely compact overall dimensions, an integral liquid nitrogen trap, a stage rotary pump, ensure a clean vacuum system and prevent substrate contamination. The vacuum system is fully automated over the complete pumping cycle.

Five types of workholder can be fitted: static, rotary planetary, drum or spool types, and the layout can easily be adjusted to take best advantage of the large working volume.

The vacuum pumping group, comprising a diffusion pump with integral liquid nitrogen trap, backed by a gaseous running two-stage rotary pump, ensures a clean vacuum system and prevents substrate contamination. The vacuum system is fully automated over the complete pumping cycle.

Edwards High Vacuum, Manor Royal, Crawley, West Sussex RH10 3LW. 0293 38944.



This \$65,000 scanning electron microscope has just been installed by J. and S. Sieger at its headquarters on the Nuffield Industrial Estate, Poole, Dorset. It will be used to carry out delicate and complex research on catalytic materials which are key components of Sieger gas detection systems. Surface structures of less than a millionth of a centimetre in size can be examined. The catalytic materials are used in sensors which are placed at strategic points in factories, chemical plants, mines, refineries and similar

potentially dangerous situations to detect the presence of gases and vapours before they reach toxic or explosive levels of concentration. The sphere behind the microscope contains liquid nitrogen for cooling the silicon detector. The console on the left provides a visual graph of the chemical composition of the substance under examination. The console on the right incorporates a cathode ray tube to provide a picture and a camera for taking pictures of the image.

COMMUNICATIONS

Telephone watchdog sales drive

TELEPHONE RENTALS has made an agreement with Intersec Communication Systems employed by the Post Office to provide a telephone watchdog service for the Post Office.

Telephone Rentals will sell on an exclusive basis the Intersec Data Analyser, or telephone watchdog, for which the Post Office has recently granted type approval. The latter will be supplied to the Post Office on a lease basis.

Further information from Intersec Communication Systems, Hoechst House, Salisbury Road, Moulton, Middx. 01-972 2871.

whether the telephone system is adequate, overloaded or underemployed.

Allocation of costs by department becomes much easier. This too is important in company administration since, after wages and salaries, telephone costs now appear to be the largest ingredient in administration overheads.

The T200 will be the first exchange of its type operating under stored programme control. It has already been installed internationally, in Hong Kong, Cyprus, Australia, India and Ireland.

Switzerland has adopted it as a replacement for all its exchanges, so that now exchanges of this type installed or on order add up to some 30,000 lines.

CIT-Alcatel, which has so far supplied all the automatically switched tele exchanges in France, has signed a licence agreement with Hasler, under which the French company will co-operate in development with the latter and also have the right to manufacture and sell the equipment in France and abroad.

Swiss sell design to France

PARIS 3, the new international telecommunications centre for the French capital, will have an initial capacity of 2,560 lines expandable to 8,000. It is to be equipped with an electronic exchange system of a design evolved by CIT-Alcatel, working with the Swiss group Hasler.

Marine engine

Quiet diesel for small craft

OVER 10m. is being spent on tooling for a 12 bhp diesel engine launched yesterday by the Hamble-based marine division of Petters, a Hawker Siddeley company.

The engine, the Mini-Twin, has been designed for craft up to 30 feet and at 255 lbs (top weight) is claimed to be 70 lbs lighter than its closest competitor. It has involved the company in substantial investment in both plant and research.

Production is currently running at 40 per month and this is to be increased to 100 per month by February. The company expects to sell at least 1,000 units in 1977.

Major market is as a yacht motor for the 8- to 11-metre classes, but the engine would also have workboat applications. Some 48 per cent. will probably sell in the U.K. and of these 75 per cent. will be in exported boats.

Selling as a complete power pack, including gear box, the engine is priced at £1,178, but its major attractions are its low running costs—maximum consumption is 0.68 gallons per hour and spares are much cheaper than competitive engines—its compact size, and quiet running.

PROCESSES

Coaters for vacuum processes

TWO NEW vacuum coaters for use in the optical and electronic industries, and allied industrial/scientific fields have been brought out by Edwards High Vacuum (part of BOC). Chamber sizes are 480 mm and

studio 55 video

INDEPENDENT CONSULTANTS
SUPPLIERS AND HIRERS OF

cctv

CLOSED CIRCUIT TELEVISION
SYSTEMS & EQUIPMENT

75-79 Fairfax Road
Swiss Cottage London NW10
01-328 3262

INSTRUMENTS

Provides precise readings

SPECTRA-TEK U.K. has developed a microprocessor flow instrumentation system particularly intended for use in oil and petrochemical industry where high accuracy integrity are needed.

Early applications where "custody transfer" is prevalent, that is, ownership of the product changing hands or at a pipeline where duty is paid.

The 808 system is a microprocessor based, on Motorola 8080 microprocessor which can be programmed to carry out a large number of tasks including linear batching, blending and detection.

A principal task is to measure temperature, composition of the flow; all gross or compensated totals are digital played after a voting technique has been carried out on data paths for maximum integrity.

Company emphasises its programs are burned into conductor chip memories—each instrument becomes a dedicated instrument, not a general purpose computer. It is a specific series of "overcoming" Governmental objections about "dangerous" computers, it is not. Inga Lane, Kings side, York. (0751 31620).

MATERIALS

Aluminium skirting boards

BOTH THE building and retail traders in the yourself market are approached by a metal firm company which is offering skirting for the wood boards that still abound houses throughout the country.

The company suggests a more modern appearance given to rooms by using skirting aluminium alloy skirting. These are simultaneous and coated with a semi-gloss acrylic paint, is by means of the clips are attached to the walls a metre intervals.

Details from Leavitt, End Works, Vauxhall, Burt, Trent, Staffs. DE13 8NL 47233.

Clash chart

BY DONALD SHARP

THE CLASH chart is a guide to the most important events in the world of business and industry. It is a must for anyone who wants to stay on top of the latest news and developments in the world of business and industry.

It is a must for anyone who wants to stay on top of the latest news and developments in the world of business and industry.

Prospect in bus

BY DONALD SHARP

THE PROSPECT in bus is a guide to the most important events in the world of business and industry. It is a must for anyone who wants to stay on top of the latest news and developments in the world of business and industry.

It is a must for anyone who wants to stay on top of the latest news and developments in the world of business and industry.

Scandinavian Securities Corporation

International Investment Banking

Directors:

Eugene R. Black, Chairman

William McChesney Martin

Marcus Wallenberg

Rolf Hallberg

Richard S. Perkins

Lars-Erik Thunholm

John A. LaGrue

Officers:

John A. LaGrue, President

Peter F. Ricciardi, Senior Vice President

James J. McDonough, V.P., Secretary, Treasurer

Scandinavian Securities Corporation*

125 Broad Street, New York, N.Y. 10004

Telephone: (212) 480-9200

*U.S. Investment Banking affiliate
Skandinaviska Enskilda Banken
Stockholm

THE CHESTER BAY SHOW

NOW ON!

Your opportunity to see London's selection of superb, handcrafted furniture and top coats. Take your choice from our specially augmented collection of weights and sizes. There is only the best is worth having.

NEVES & HAWKES

100 Regent Street, London W.1 Tel: 01-477 1111

SPERRY UNIVAC

COMPUTER SYSTEMS

SPERRY UNIVAC IS A DIVISION OF SPERRY RANK LIMITED

Gain control of your company

Lease a Sperry Univac 1100 computer. It's the general purpose computer at the heart of many great companies. And the leasing rate is fixed for five years.

Ask your secretary to ring our Marketing Director on 01-387 0911. He'll send you details of the powerful Sperry Univac 1100 general purpose computer and our unique 5 year, fixed rate Leasing Scheme.

Callaghan rejects Tory demand to 'admit failure'

BY JOHN HUNT

THE OPPOSITION sharply escalated its attack on the Government's economic policies in the Commons yesterday when the Prime Minister ducked this awkward question, Mr. Peter Tapsell (C. Horn-castle), told him: "Almost everyone in this country and overseas believes that the nation is drifting day by day towards economic disaster. When is the Government going to bring forward the comprehensive package of measures necessary to avert it?"

This brought a stern rebuke from Mr. Callaghan who told him that this sort of alarmist and scare talk totally misrepresented the truth and the spirit of the British people. "We are faced with difficult problems that are deep-seated and which this Government is now overcoming, thanks to the full co-operation of the trade union movement," he declared.

Under later questioning by Mr. John Pardo, Liberal economic spokesman, the Prime Minister indicated that the Government still intends to try to hold the increase in money supply to 12 per cent. during the current financial year.

Only a few minutes before Prime Minister's question time, Labour Left-wingers were complaining bitterly to Mr. Albert Booth, the Employment Secretary, about the high level of unemployment, and were demanding a change in Government policies.

Yet, ironically, they howled down Mr. Prior when he voiced the same sentiments to Mr. Callaghan and the Speaker, Mr. George Thomas, had to intervene to restore order.

Mrs. Thatcher wanted to know why the Government had not said what the peak level of unemployment was.



Mr. John Pardo queried growth of money supply.

Clash over Press charter progress

UNTIL THE power of the "Press barons" was curbed, there would never be a free Press in this country, Mr. Ron Thomas (Lab., Bristol NW) claimed in the Commons yesterday.

The National Union of Journalists had just as much right to a trade union membership agreement as any other group of workers, he argued.

Mr. John Grant, Employment Under-Secretary, who was answering questions about progress on a draft Press charter, hoped all those with influence in the newspaper industry would use it to get a satisfactory result.

Mr. James Prior, shadow Employment Secretary, declared: "This is a vital industry and, with Press freedom very much at stake, the matter should be of great importance to the Government."

The Council has now been told by Mr. William Rodgers, Secretary for Transport, that acceptable expenditure by the GLC on transport in 1977-78 is likely to be between £180m. and £185m., against the basic programme

suggested by the Council of £215m., and its preferred programme of £235m.

A fight to maintain the GLC's original spending plans was set in train, however, at yesterday's meeting of the GLC transport committee, when it was agreed to ask the Leader of the Council, Sir Reg Goodwin, to continue negotiations in support of them.

The committee argues that the proposed cuts would bring an inefficient use of public transport resources; that no increase in public spending results from finding a proportion of public transport revenue through rates or taxes, rather than fares; and that the cuts would damage personal mobility and economic life in London.

Mr. Callaghan was pressed in the Commons by Mr. Robert Adley (C. Christchurch and Lynton) to give magistrates power to send offenders to prison.

Mr. Adley said magistrates dealt with an overwhelming majority of cases reaching court. Mr. Callaghan said the Home Office had just completed a review of penalties in such cases and a consultation paper had been issued.

He told Mr. Adley: "You would not expect me to anticipate the Queen's Speech, but that matter will now come under consideration of the Government in due course." The suggestion about prison sentences could be taken into account in any conclusion that was finally reached.

employment would have to be if it continued to follow its present policies.

When the Prime Minister ducked this awkward question, Mr. Peter Tapsell (C. Horn-castle), told him: "Almost everyone in this country and overseas believes that the nation is drifting day by day towards economic disaster. When is the Government going to bring forward the comprehensive package of measures necessary to avert it?"

This brought a stern rebuke from Mr. Callaghan who told him that this sort of alarmist and scare talk totally misrepresented the truth and the spirit of the British people. "We are faced with difficult problems that are deep-seated and which this Government is now overcoming, thanks to the full co-operation of the trade union movement," he declared.

Under later questioning by Mr. John Pardo, Liberal economic spokesman, the Prime Minister indicated that the Government still intends to try to hold the increase in money supply to 12 per cent. during the current financial year.

Only a few minutes before Prime Minister's question time, Labour Left-wingers were complaining bitterly to Mr. Albert Booth, the Employment Secretary, about the high level of unemployment, and were demanding a change in Government policies.

Yet, ironically, they howled down Mr. Prior when he voiced the same sentiments to Mr. Callaghan and the Speaker, Mr. George Thomas, had to intervene to restore order.

Mrs. Thatcher wanted to know why the Government had not said what the peak level of unemployment was.

Mr. Callaghan replied: "I have noticed that a demonstration of national unity is taking place."

"I have no doubt they will continue, with their self-appointed task, of mutilating Bills which have passed through the House of Commons. No doubt the House of Commons will want to consider this matter."

Mr. Callaghan replied: "I have noticed that a demonstration of national unity is taking place."

"I have no doubt they will continue, with their self-appointed task, of mutilating Bills which have passed through the House of Commons. No doubt the House of Commons will want to consider this matter."

Mr. Callaghan replied: "I have noticed that a demonstration of national unity is taking place."

"I have no doubt they will continue, with their self-appointed task, of mutilating Bills which have passed through the House of Commons. No doubt the House of Commons will want to consider this matter."

Mr. Callaghan replied: "I have noticed that a demonstration of national unity is taking place."

"I have no doubt they will continue, with their self-appointed task, of mutilating Bills which have passed through the House of Commons. No doubt the House of Commons will want to consider this matter."

Mr. Callaghan replied: "I have noticed that a demonstration of national unity is taking place."

"I have no doubt they will continue, with their self-appointed task, of mutilating Bills which have passed through the House of Commons. No doubt the House of Commons will want to consider this matter."

Mr. Callaghan replied: "I have noticed that a demonstration of national unity is taking place."

"I have no doubt they will continue, with their self-appointed task, of mutilating Bills which have passed through the House of Commons. No doubt the House of Commons will want to consider this matter."

Mr. Callaghan replied: "I have noticed that a demonstration of national unity is taking place."

"I have no doubt they will continue, with their self-appointed task, of mutilating Bills which have passed through the House of Commons. No doubt the House of Commons will want to consider this matter."

Mr. Callaghan replied: "I have noticed that a demonstration of national unity is taking place."

"I have no doubt they will continue, with their self-appointed task, of mutilating Bills which have passed through the House of Commons. No doubt the House of Commons will want to consider this matter."

Mr. Callaghan replied: "I have noticed that a demonstration of national unity is taking place."

future. But we must stick to our policies."

Mr. Prior intervened to ask how the Prime Minister could possibly make such remarks when unemployment under this Government had risen from 2.7 to 6.1 per cent. of the labour force, the value of the pound had dropped from \$2.40 to \$1.85 and inflation was well above the level it was when Labour took office in February, 1974.

The whole House and the country believed that this was not good enough, he said. If the policies of cutting public expenditure had been taken at the right moment, then unemployment levels would not have risen to their present peak.

Agreeing that the scale of unemployment was unacceptable, Mr. Callaghan again claimed that Tory policies would only make the situation worse. He instanced the case of the motor industry and said that if Tory policies had been implemented, they would have resulted in total disruption.

On the question of money supply, Mr. Pardo said that it had already increased by 10 per cent. so far this year, and he asked whether the Government thought that it would only grow by another 2 per cent. for the rest of the financial year.

He also asked the Prime Minister to spell out in clear detail exactly what the consequences would be to living standards and employment if money supply went above 2 per cent. in the next few months.

Mr. Callaghan told him that he was not sure that he was right in saying that the increase had been as high as 10 per cent. so far.

But he added: "Yes. It is the Government's view that 12 per cent. is the appropriate figure for the rise in the money supply during the course of the current year. It has increased rather more than that during the first six or seven months of the year."

The success that will be achieved in controlling this will have an impact on sales of Government stock to finance the public sector borrowing requirement. That, in turn, will have an impact, in due course, I hope, on interest rates.

There were signs of an improvement in the employment situation, for example in the numbers of vacancies and those on short time.

Mr. Max Madden (Lab., Sowerby) claimed the figures would be lower if selective import controls had been introduced a long time ago.

Mr. Eric Heffer (Lab., Walton) warned that a further 100,000 unemployed construction workers and called for a reduction in the public spending cuts affecting the industry.

From the Opposition front bench, Mr. Barney Hayhoe said the Government should develop a labour policy which took into account that the country would have to live with unemployment near the one million mark for years to come.

He said Mr. Booth was clearly floundering in finding an answer to the demand from the Labour Party NEC that a million new jobs should be created.

Mr. Booth replied that he would not accept that the Government could base any of its strategies or policies on the proposition that the country could live with one million unemployed for years to come.

Government policies for the support of manufacturing industry were beginning to bear fruit, he said.

Government policies for the support of manufacturing industry were beginning to bear fruit, he said.

Government policies for the support of manufacturing industry were beginning to bear fruit, he said.

Government policies for the support of manufacturing industry were beginning to bear fruit, he said.

Government policies for the support of manufacturing industry were beginning to bear fruit, he said.

Government policies for the support of manufacturing industry were beginning to bear fruit, he said.

Government policies for the support of manufacturing industry were beginning to bear fruit, he said.

Government policies for the support of manufacturing industry were beginning to bear fruit, he said.

Government policies for the support of manufacturing industry were beginning to bear fruit, he said.

A wrecking amendment, Melchett claims

Opposition peers strike at aircraft takeover

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

GOVERNMENT provisions for taking the aircraft industry into State ownership were baulked by Opposition peers when the Bill to nationalise both the aircraft and the shipbuilding industries suffered further major surgery during an all-night sitting of the Lords which lasted until breakfast time yesterday.

This new setback for the Government occurred when it was defeated by an Opposition majority of 28 (60-32) and a Tory amendment was inserted in the Bill to postpone the date for nationalising the aircraft industry until after the next General Election.

Lord Melchett, for the Government, contended that the change made in the Bill was a wrecking amendment. He discouraged any idea that the Government would acquiesce in the change when the Bill returns to the Commons for the approval—or otherwise—of the amendments to it made in the Lords.

This particular amendment, said Lord Melchett, was one which the Government opposed for constitutional and industrial reasons.

The great majority of people in the aircraft industry at all levels, including management, believed that a decision on nationalisation must now be reached, once and for all, and put into immediate effect.

The amendment would cause confusion because it would not stop the industry being nationalised through the setting up of the British Aerospace Corporation under the Bill, but it would postpone its implementation until some time in the future.

Lord Carr, from the Opposition front bench, stood firmly by the Tory objections to nationalisation. Experience showed, he said, that whenever such an operation took place, there was an initial setback, which he could not now afford.

In our present economic crisis, public expenditure should be kept in an absolute minimum. There was no compelling reason to nationalise this highly successful industry.

With the Bill's main provision for the introduction of a five mile coastal corridor for registered dock work scrapped in favour of a half mile corridor, Tory peers turned their attention to the issue of an appeals procedure.

The attack began with a move to introduce such procedure for disputes about the classification of work as dock work.

The Earl of Gowrie, Tory employment spokesman, put forward a proposal which he said would provide circumstances in which an appeal could be made to decide whether or not particular work should be done by dockers.

He argued that the Bill made the likelihood of demarcation disputes more vivid because dockers were given the statutory right to claim the work of other groups of workers. "There must be an appeals procedure, and what better than to use the Advisory, Conciliation and Arbitration Service?" he said.

His proposal gave the Employment Secretary power to refer unresolved disputes on the classification of work to the central arbitration committee of the ACAS.

For the Government, Lord Jacques said the Tory plan did not provide a procedure for appeals against classification generally, but only when the work was legally capable of being considered for classification.

The Government was not opposed to appeals, but in questions of the interpretation of the wording of statutes it was a matter for the courts. It was not the function of the ACAS, nor was it equipped to make the kind of decision required.

Lord Jacques came under fire from some Tory peers who recalled the bitter attacks made by Labour against the role of the courts in the former Tory Government's Industrial Relations Act.

LORD CARRINGTON
Attacked size of Government vote.

enormous confidence to overseas investors in this country, said the Earl of Kimberley from the Liberal benches. And his party backed the Tories in the division lobbies when they pressed their amendment successfully to a vote.

Lord Carrington, leader of the Tory peers, raised a further threat of disruption to the committee stage proceedings on the Bill by pointing out after one division, that the Government had not mustered a full quorum.

He said it was the obligation of the Government to see that their business went through. "If the Government could not rally 30 of its own members to support its own legislation—which the Tories strongly disapproved of—there was no reason, Lord Carrington maintained, why the Opposition should sit and listen to Ministers."

Barness Llewellyn-Davies, replying for the Government, maintained that it was the Opposition that was doing the talking and the Government side was listening.

The exchanges occurred after Tory peers had defeated the Government by 97 votes to 23 to curb drastically the powers of the Industry Secretary to direct or influence the operations of the proposed air and shipbuilding corporations after nationalisation.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

Committee stage debate on the Bill's clauses will be continued in the Lords this afternoon.

We deliver.

Export finance: We cut red tape to a minimum. Give you a prompt yes or no on whatever you require. And besides providing finance to U.K. exporters under E.C.G.D. schemes, we also supply finance direct to overseas buyers of capital goods and services.

TEST US: Contact Brian Shepherd, our senior executive in charge of Export finance. Tel. London 606 9944, ext. 4368, telex 888401 or write, Midland Bank Limited, International Division, 60 Gracechurch Street, London EC3P 3BN, England.



MIDLAND

Midland Bank International



Delivers.

مصرف الميڊل

FINANCIAL TIMES SURVEY

Wednesday October 20 1976

هكزامن الشهر

ZULIA

Zulia, the State of Venezuela which includes Maracaibo and its very productive oilfields, is one of the world's major exporters of fuel. The State is now using its wealth to diversify its economy with big new steel and coal projects.

Putting
wealth
to
work

gh O'Shaughnessy
America Correspondent

RE ARE a number of in Latin America where visitor gets the physical view that the whole place is in his eyes. In Brazil, São Paulo in its prime was the best of this; Belo Horizonte is today. In Bolivia the oil discoveries have made Cruz de la Sierra a boom while even in tortured times the feeling of growth must put it into the same of the frontier towns of

Maracaibo, the capital of the of Zulia, the principal oil region of Venezuela, during a period of growth must put it into the same of city. The weight of

new investment beginning to come into the city is such that in a year or two's time those former residents who come back after a period of absence will find themselves totally lost in what will be a new city.

For centuries after it was founded by the Spaniards, Maracaibo made a steady if perhaps not spectacular living as a port, trading in the agricultural produce of its hinterland and leading an existence fairly isolated from the rest of Venezuela. Sited in the extreme west of the country on the far shore of Lake Maracaibo the city remained aloof from Caracas and the activity of the Venezuelan heartland.

That is not to say it was backward. Its main bank, the Banco de Maracaibo—founded before any other in the country—is still going strong, and the city had an electric power supply before ever the capital did. The shipping lines piled direct from its port to London and New York; scarcely bothering to take any notice of La Guaira, the port of Caracas. In this atmosphere of quiet prosperity the family dynasties which still play such a large part in the life of the city and the State were created and their fortunes founded.

The city and State entered their first period of boom and began to make their real mark in the world in the 1920s, when oil was found in and around the lake in colossal quantities and the international oil companies

—first Shell, then most of the U.S. majors—established their presence in Zulia. The early years were the best as the oil—increasing revenues that the central government in Caracas jockeyed for a share of the new riches but with hindsight it can be said that neither Zulia nor Maracaibo made any extraordinary amount of money out of oil during the time the foreign companies were working their concessions.

The oil fetched ridiculously low prices by modern standards and the companies themselves, the only ones able to refine and market the crude, naturally took the lion's share of the rewards. It was not, for instance, until a decade or so ago that money was forthcoming for the erection of a bridge across the narrow mouth of Lake Maracaibo and the city's isolation from the rest of the country relieved.

The latter decade of the oil companies' reign in Zulia was not always a prosperous one. With both major political parties in Caracas committed to a policy of giving no more concessions to the companies and allowing the existing concessions to expire naturally, foreign investment gradually dried up.

Ranchers

To a certain extent the economic centre of gravity during the 1960s moved out into the countryside, where ranchers began the development of meat form it from dependence on oil

and ranching into a region of heavy industry. The equivalent of billions of pounds will be spent in the next few years on the coal mines and blast furnaces, and the infrastructure needed to maintain them—and Zulia is looking forward to the new influx of money.

Today representatives of all the banks in Venezuela and many of the major companies are taking a new look at Maracaibo to decide how they best can participate in the new era of growth. Many of them are putting up new buildings. In a city where tall buildings were the exception big office blocks are being constructed and the first multi-storey apartment blocks are to be seen. The gaily painted single-storey houses with their big windows and iron grilles are being torn down in favour of something more modern.

In his eleventh storey office in the Banco Industrial building on 5 de Julio, the main business thoroughfare a mile from the lake, Fergus Walshe, executive director of the Grupo Zuiliano, remarks sadly that he will not be able to enjoy the view of the water for very much longer. Meanwhile his company is moving into the cement business.

On the outskirts of the city, beyond the second ring road, Carlos Pardi plans how to triple the size of the industrial estate. As the new investment starts coming in, the battle lines are being drawn by different interest groups of the region.

Both the steel plant and the coal mines will be financed by the public sector, increasing the degree of control it will have over the region's basic industries.

But Zulia has not resigned itself to seeing this control passing to some distant Ministry or State corporation in Caracas. The Corporación de Desarrollo de la Región Zuiliana (Corpo-zulia), a regional planning and development authority has succeeded in getting control of the coal project and will doubtless have a say in the strategies to be adopted by the steel plant.

But there are many people in Maracaibo who are unhappy with State enterprise, whether locally or centrally controlled. They point, with a good deal of justification, to the other side of the lake, where El Tablazo, a Government-promoted petrochemical works, pours forth its plume of oily smoke day and night.

Billions

El Tablazo has for several years been a monument to the incompetence of some public sector managers and the unscrupulousness of some private sector suppliers, Venezuelan and foreign. The plant has soaked up billions of dollars of public money and is only now beginning to move towards the levels of output which it should have achieved soon after the beginning of the decade.

So while the private sector has to accept that basic indus-

tries—oil, coal and steel—are going to be a public sector preserve and that foreign-owned utilities like the electricity company (still Canadian-owned) must sooner or later pass into the hands of the Government, the private sector is pressing hard to get as many of the secondary industries as it can into its own hands, either as sole entrepreneur or in conjunction with the State in mixed enterprises.

Meanwhile, within the private sector the Zuilianos are making every effort to maintain their financial position in the face of competition from the economic giants of Caracas.

On the sidelines of these financial and political tussles stands the workforce. It consists of a very mixed group of people. The oilfields produced Venezuela's best trained and most responsible group of workers who, as the industry developed in the 1930s, knew how to organise themselves in unions which would guarantee them job security and the highest wages of any manual workers in the country.

From these unions sprang much of the political organisation of Venezuela and its two main parties. But these men have always been an industrial elite whose skills are not shared by many other groups of workers in Venezuela.

The quality of the rest of the workforce is nowhere near as high as that of the oilfield workers and its lack of skill is a constant worry to a Government

which knows that this is a brake on the development of Venezuela. A very large section of the non-skilled workers are illegal immigrants from over the State border in Colombia. The movement of workers from Colombia has been, numerically speaking, one of the largest movements of population there has ever been, embracing millions of men and women who have arrived on Venezuelan soil anxious for the hard currency that even a menial job in Venezuela brings. Most often lacking papers, these refugees from the Colombian countryside are difficult to organise and train.

Last come the original inhabitants of the area, the Guajiros, survivors of a nomadic, pastoral, matriarchal society whose lands straddle the Venezuelan-Colombian border. One of the most agreeable sights in Maracaibo is to see the Guajiros women, invariably wearing long black or brightly coloured dresses reaching to the floor—their best protection against Zulia's scorching sun, going silently about their business in the city's streets. Save that they do not wear veils they could be taken for visitors from the Sahara.

But, majestic though they are, the Guajiros are unable to provide much solution to the labour problem. And labour supply will be the biggest problem that Zulia will have to overcome if it is going to make the best of the opportunity it has within its reach.

ZULIA:
an open valve
of the
nation's wealth

in Zulia, Banco Union has three agencies and a functional branch office operating in its own new building, the most advanced in Maracaibo.
BANCO UNION is a modern and dynamic bank with 87 offices in Venezuela and one each in New York and Panama.
We are everywhere our clients need us.

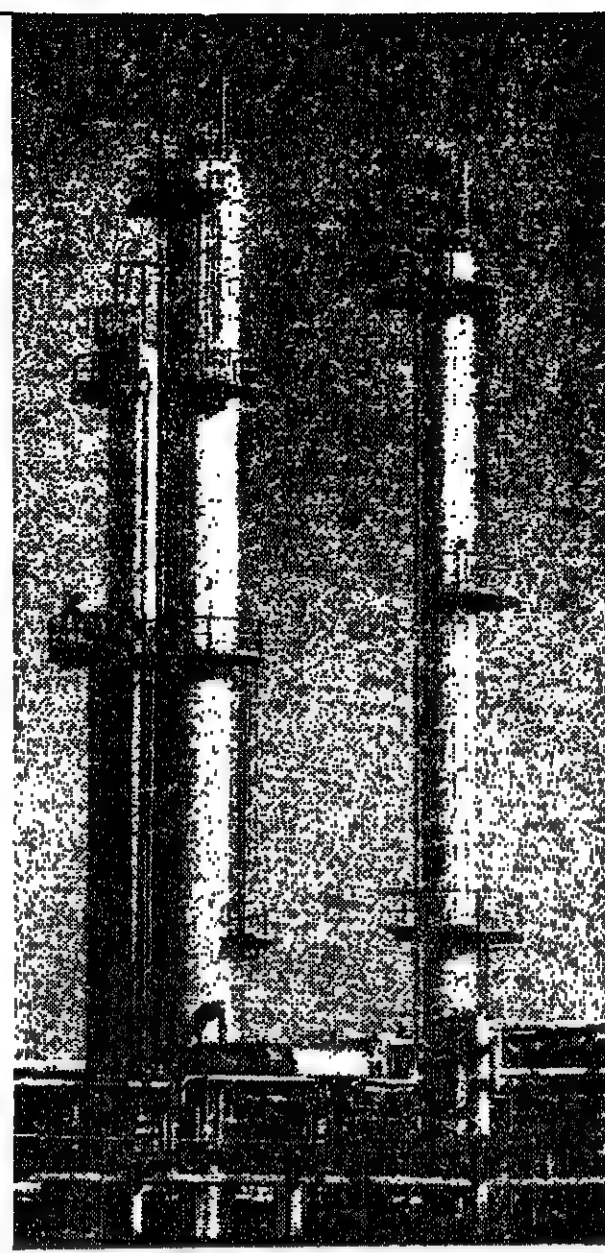
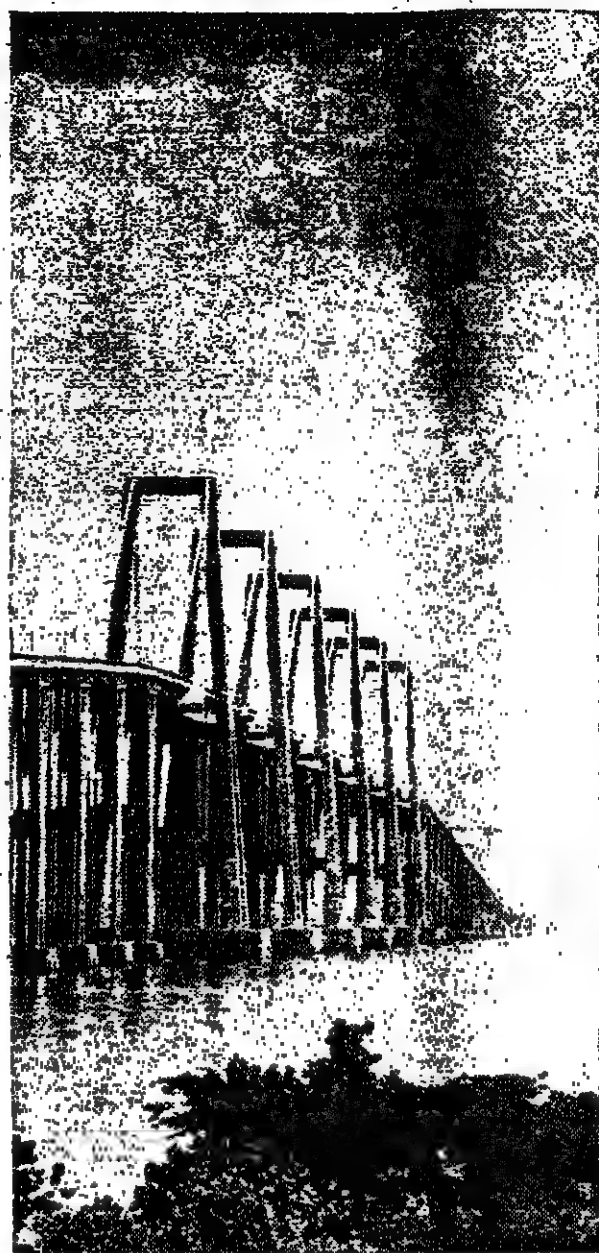
HEAD OFFICE: Chorro de Dr. Diaz, P.O. Box 2044, Telax 22842, Caracas, Venezuela

BANCO UNION

First International Private
Venezuelan Bank

MARACAIBO OFFICE:
Av. Bella Vista, Esquina Dr. Portillo,
Maracaibo, Venezuela

هكنا من الأمل



the state of zulia - a promise for mankind

As a result of its great oil resources, the State of Zulia occupies an outstanding position in the economic world. In Venezuela it is the most important oil producing region, in one of the wealthiest geographic zones in the world (considering wealth as an integration of environmental material and human resources), potentially able to offer optimum living conditions.

This rich area of our planet, the State of Zulia, is the subject of the latest Financial Times special survey.

The importance of the Region of Zulia is due not only to the petroleum industry but also to its large population (second in Venezuela only to Caracas, metropolitan area); its booming agriculture and cattle raising added to the potential of various features to be found in its 63,000 square kilometres (13,000 of which represent the surface of Lake Maracaibo); its tourist and recreational potential and its environmental diversity and cultural activities.

The State of Zulia is outstanding because of its economic and social development, its drive, its people's working capacity and willpower, and also the location in the State of Zulia of two of the biggest industrial projects in Latin America: the steel and coal programmes.

These are in their first stages of development and are being conducted under the direct sponsorship of CORPOZULIA, the Corporación de Desarrollo de la Región Zuliana. CORPOZULIA is an autonomous institution founded by the Government of Venezuela to promote the economic and social progress of the State of Zulia, generating an integrated, harmonious, and participatory development intended to benefit the social strata in every part of the State.

The investment for the two programmes has been estimated at BS.45 billion (U.S.\$10 billion) generating a projected 20,000 new employment opportunities within the next 15 years. The forecast is for an expected production of 5 million tons of steel, and 6 million tons of coal annually. (Zulia's coal reserves are calculated at over 1.5 billion tons).

For these reasons, and many others, it may be said that Venezuela starts and ends in the State of Zulia since in this State one finds all the geographic and human elements which shape our national character. The State of Zulia is the synthesis of our whole nationality: a smaller Venezuela. In the State of Zulia, in Venezuela, there is a promise of peace and progress for mankind.

corpozulia

Zulia's greatest wealth is its people

Corporación de Desarrollo de la Región Zuliana (CORPOZULIA),
Edificio Caja Popular de Occidente,
Avenida 4 (Bella Vista), No. 83-23, Maracaibo,
Estado Zulia, Venezuela.

ZULIA IV

Ambitious steel plans

SINCE PETRODOLLARS began flooding Venezuela's Treasury in 1974, the Administration of President Carlos Andres Perez has elaborated a spate of projects aimed at transforming this South American oil-producer into a modern, balanced economy.

But no project yet envisioned can match the boldness—or the costliness—of the Zulia Steel Development, now taking shape in western Venezuela. The new Zulia steelworks, to be located near the shore of Lake Maracaibo, is to cost an estimated \$8.63bn. at current prices and will be erected during the period between 1979-81. When complete, the massive complex will be capable of producing 5m. tonnes of steel and products per year, all of which is expected to be absorbed by domestic markets.

The Zulia complex forms a fundamental part of the new industrial economy that the Government is attempting to forge. Although State planners are clearly aware that petroleum will continue to be Venezuela's most important industry for many years to come, they are equally aware of the country's urgent need to construct a firm industrial base that will create jobs, satisfy domestic requirements and ultimately diminish the Government's lopsided dependence on oil receipts.

Early in his administration President Perez asserted that Venezuelan steel production would be raised to 15m. tonnes per year by the end of the next decade. The first stage in this programme is being carried out by the State-owned steel manufacturer, Siderurgica del Orinoco (Sidor). Under Sidor's major expansion scheme—called Plan IV—the company will

quadruple steel production from the present level of 1.25m. tonnes annually to 5m. tonnes by 1979. Plan IV—now well under way—will carry a final price tag of some \$3.49bn. and will generate direct employment for 10,000 workers in Venezuela's mineral-rich Guayana region southeast of Caracas.

Second

Government studies indicated that the second phase of its steel development programme should be carried out in Zulia, over 1,300 km away from Guayana in the oil and cattle producing region of western Venezuela. Zulia was chosen for a variety of reasons, including the desire to establish a new centre for basic industry in the west, where petroleum has ceased to be a dynamic source of new employment. Furthermore, Zulia offered easy access to the Caribbean by means of Lake Maracaibo, adequate supplies of water, fuel and electric power, and an appropriate tract of land near an urban centre—Maracaibo—which in turn can provide manpower and commercial services. Most important, however, is the proximity of an estimated 1.5bn. tonnes of coal in the Zulia Coal Basin. The Government opted for the use of blast furnaces and oxygen converters in Zulia, where the massive deposits of coal can be employed both as a source of energy and of coke, an essential element in the steelmaking process.

The mandate for planning and carrying out the steel and coal programmes was given to Corporuzulia, a regional development agency responsible for promoting and financing a variety of projects in general

agriculture, agro-industry, tourism and commercial fishing. With technological assistance from Atkins Planning of U.K., Corporuzulia is now conducting feasibility studies and is beginning to elaborate specifications for the giant steel complex. Corporuzulia officials said that they expect contract decisions on the project to be made in 1978, with actual construction commencing in 1979. The first stage of the Zulia steel mill, according to present calculations, should be completed in 1982, with output at 1m. tonnes annually and a workforce of 5,500 people. At project's end in 1990, the Zulia complex will reach the 5m. tonnes per year mark, providing direct employment for 16,000 and indirect jobs for 48,000 other Venezuelans in intermediate industries and commerce.

The giant complex, to be built about 25 km south of the Zulia State capital, Maracaibo, will include three sinter plants, a facility for coke production which will employ local and imported coal; three blast furnaces for the production of cast iron; oxygen furnaces capable of turning out 5m. tonnes of liquid steel; continuous casting units and laminators for producing a range of steel products; auxiliary plants (oxygen, lime, steam, direct reduction); port facilities; administrative buildings; and an internal road system. In addition, external support services for the Zulia mill will include the following projects:

- A thermoelectric generating plant using coal from the Zulia Basin to supply power for the steel complex and the surrounding area.
- Housing for 16,000 persons directly employed in the manufacturing plant.

- Fourteen primary and 14 secondary schools for the families of steelworkers, plus specialised training centres in metallurgy, mining and industrial and electrical engineering.
- A hospital with a capacity of 324 beds.
- Plants and lines for supply of water and natural gas.
- Commercial centres serving workers who live near the complex, new highways linking the plant to Maracaibo and other cities, a railway line for carrying limestone and coal to the plant and the construction of a new port requiring the dragging of 11.7m. cubic metres.

At the same time, Corporuzulia is planning the means for locating and training more than 18,000 people who will eventually find direct employment at the Zulia complex. Over the 12-year period during which the massive steel mill is to be built, Corporuzulia will need to find 580 professionals (mostly engineers); 1,400 technicians; 7,450 skilled workers; 2,250 non-skilled employees and 4,520 administrative employees. As has been shown in other new development projects in Venezuela, the ability to secure qualified personnel represents the country's greatest challenge. At the present, it is doubtful that national universities and technical training schools can provide the necessary manpower. But the Government is moving ahead with a plan to import skilled workers and professionals from abroad and is training thousands of Venezuelans in European and North American universities and technical centres.

Although Corporuzulia estimates that the complex itself will involve expenditure of \$4.98bn. at 1976 prices, the development agency is quick to point out that "within over the 12-year planning and construction period is expected to drive total costs to around \$9.63bn., including expenses for studies and land acquisition. The first stage of the Zulia steelmill, scheduled to go on stream in 1982, calls for investment of \$2.3bn. The Government plans to fund 40 per cent of this figure itself and will seek outside financing for the rest (\$1.38bn.). This initial stage will include laminators for steel reinforcing rods, wire and other products; a blast furnace, coke producing facility, oxygen converter furnace and continuous casting line. Second

Inflation

Although Corporuzulia estimates that the complex itself will involve expenditure of \$4.98bn. at 1976 prices, the development agency is quick to point out that "within over the 12-year planning and construction period is expected to drive total costs to around \$9.63bn., including expenses for studies and land acquisition. The first stage of the Zulia steelmill, scheduled to go on stream in 1982, calls for investment of \$2.3bn. The Government plans to fund 40 per cent of this figure itself and will seek outside financing for the rest (\$1.38bn.). This initial stage will include laminators for steel reinforcing rods, wire and other products; a blast furnace, coke producing facility, oxygen converter furnace and continuous casting line. Second

The Zulia project, still in its incipient stages, undoubtedly holds great promise not only for growth and vitality in Zulia State, but for the nation as an economic unit. With the successful completion of the Zulia steel complex, both Zulia and Venezuela will have shaken off some of their heavy dependence on petroleum and will have begun to fashion a balanced and flexible economic system.

AS IF it was not enough for the State of Zulia to be one of the world's major sources of oil, fate decreed that it should also have the potential to become one of the Western Hemisphere's biggest producers of coal. The existence of big coal deposits at a spot about 70kms north-west of Maracaibo has been known for a century, since that is, a Venezuelan soldier and engineer, General Briceño-Mendoza discovered the big outcrops in the jungle. It was not, however, until mid-1972 that the Ministry of Mines and Hydrocarbons in Caracas started a thorough, modern survey of the coalfield. The central government has since given Corporuzulia the State development authority, a concession to exploit the coal and plans are now going ahead rapidly to get the exploitation started.

The characteristics of the coal have been established. It is, it appears, a coal which contains a very small quantity of ash, between 4 and 6 per cent, and a very low quantity of sulphur, between 0.4 and 0.8 per cent. It has also a high percentage of volatile components, 39 to 40 per cent.

The high volatility of the coal does not, according to Eisenbaum, the West German concern which produced an analysis of samples, make it ideal for coking and if it is to be used in the steelworks planned for Zulia, the local coke will have to be mixed with up to 70 per cent of coke made from foreign coals.

The local product should, however, find a good outlet, perhaps up to the quantity of 1m. tons a year in the big new thermal power station, planned to be built in the vicinity of Maracaibo. Additionally local investors, including the Grupo Zuliano, are examining the possibilities of using the coal and its by-products as the basis for a chemical industry.

The deposits lie in a region crossed by the rivers Guasare and Socuy. Out of the total concession of 70,000 hectares granted by the central government to Corporuzulia, it has chosen to operate in 22,249 ha. in which up to the end of April this year 29 test drillings had been made bringing out about 4,600 metres of core samples.

Corporuzulia intends in the first instance to bring an open cast test mine into operation at a site called Paso Diablo. Over the three and a half years from the end of this year it is planned to produce 60,000 tons a year, an output which is equal to the total present Venezuelan production. This first stage is not expected to be a profitable operation but it will allow opportunities for solutions to be found to the major problems of working in the area and it will also serve to train the workforce for the later, more major developments.

The whole output is to be processed at a coking plant to be erected at the town of Carrasquero about 33 miles away from the mine. From 1969 onwards work is planned to start on the major Paso Diablo opencast mine

where in an area of 5,000 ha. there are estimated to be 60m. tons of coal in four seams of which the thickest is no less than 14 metres in depth. From this mine it is planned to produce 24m. tons a year and go down to a depth of 80 metres.

From 1982 onwards it is planned to start an underground mine capable of producing a further 2m. tons a year at a site near the Socuy river 23 km southeast of the Paso Diablo open cast mine where, it is calculated, there are 230m. tons of coal which should be better suited to coking. The deepest shaft will go down 500 metres.

The whole enterprise will need a very large effort to provide the sort of infrastructure which is at the moment totally absent. A thermal power station of 600 MW linked to the local grid is to be built. A railway will be needed capable of carrying the 4.5m. tons that the two main mines are to produce by the early 1980s and which will later be able to handle the 8m. or 10m. tons which should in the long term be coming from the area.

As production increases the population of the now scarcely inhabited region is seen as rising to 20,000. Houses, basic

services, schools and community centres will all have to be provided for this influx. According to the less detailed estimations that have been carried out over the whole Socuy Guasare region, the amount of coal which could eventually be taken out of the area is virtually inexhaustible. Down to a depth of 200 metres there are said to be 728m. tons and down to a depth of 800 metres 1.5bn. tons. The total amount of coal available in the Zulia basin is put at 10bn. tons. Whatever the amount, Corporuzulia has said that none of the coal will be exported.

So far so good, but there has been put on the development, but whatever it is there can be no doubt that it will be paid. It was mainly because of the Guasare-Socuy coal that the decision was made in Caracas to give Zulia a steel complex, and the development of the seams will bring prosperity to an area which is now wilderness.

As with many other projects in Venezuela the will is not lacking, neither is the finance. The bottleneck could well come, however, from the lack of per-

sonnel trained to manage the work the coalfield. The new being worked in Venezuela are tiny in comparison to size of the Zulia project will not be able to offer much by the way of technological support. Nor are the Zulus at an expert in the art of underground mining. The underground mine will also be difficult of a technical nature and the experts expected by the young and volatile coal give off much dangerous gas which makes safety precautions a particular problem.

The planners can take a comfort from the fact that government is extremely serious of the need to up the skills of the work force. Only a few thousands of Venezuelans being sent abroad every year for training in foreign universities, but a campaign is on at home to train for jobs on the shop floor. In Maracaibo, many other cities in Venezuela can scarcely tune into the radio station without hearing appeals for employers to train their dues to the National Training Fund.

As with many other projects in Venezuela the will is not lacking, neither is the finance. The bottleneck could well come, however, from the lack of per-

sonnel trained to manage the work the coalfield. The new being worked in Venezuela are tiny in comparison to size of the Zulia project will not be able to offer much by the way of technological support. Nor are the Zulus at an expert in the art of underground mining. The underground mine will also be difficult of a technical nature and the experts expected by the young and volatile coal give off much dangerous gas which makes safety precautions a particular problem.

The planners can take a comfort from the fact that government is extremely serious of the need to up the skills of the work force. Only a few thousands of Venezuelans being sent abroad every year for training in foreign universities, but a campaign is on at home to train for jobs on the shop floor. In Maracaibo, many other cities in Venezuela can scarcely tune into the radio station without hearing appeals for employers to train their dues to the National Training Fund.

As with many other projects in Venezuela the will is not lacking, neither is the finance. The bottleneck could well come, however, from the lack of per-

sonnel trained to manage the work the coalfield. The new being worked in Venezuela are tiny in comparison to size of the Zulia project will not be able to offer much by the way of technological support. Nor are the Zulus at an expert in the art of underground mining. The underground mine will also be difficult of a technical nature and the experts expected by the young and volatile coal give off much dangerous gas which makes safety precautions a particular problem.

The planners can take a comfort from the fact that government is extremely serious of the need to up the skills of the work force. Only a few thousands of Venezuelans being sent abroad every year for training in foreign universities, but a campaign is on at home to train for jobs on the shop floor. In Maracaibo, many other cities in Venezuela can scarcely tune into the radio station without hearing appeals for employers to train their dues to the National Training Fund.

As with many other projects in Venezuela the will is not lacking, neither is the finance. The bottleneck could well come, however, from the lack of per-

sonnel trained to manage the work the coalfield. The new being worked in Venezuela are tiny in comparison to size of the Zulia project will not be able to offer much by the way of technological support. Nor are the Zulus at an expert in the art of underground mining. The underground mine will also be difficult of a technical nature and the experts expected by the young and volatile coal give off much dangerous gas which makes safety precautions a particular problem.

The planners can take a comfort from the fact that government is extremely serious of the need to up the skills of the work force. Only a few thousands of Venezuelans being sent abroad every year for training in foreign universities, but a campaign is on at home to train for jobs on the shop floor. In Maracaibo, many other cities in Venezuela can scarcely tune into the radio station without hearing appeals for employers to train their dues to the National Training Fund.

As with many other projects in Venezuela the will is not lacking, neither is the finance. The bottleneck could well come, however, from the lack of per-

sonnel trained to manage the work the coalfield. The new being worked in Venezuela are tiny in comparison to size of the Zulia project will not be able to offer much by the way of technological support. Nor are the Zulus at an expert in the art of underground mining. The underground mine will also be difficult of a technical nature and the experts expected by the young and volatile coal give off much dangerous gas which makes safety precautions a particular problem.

Productive farm sector

IF NATURE had failed to cattle brought here by early Spanish settlers. The cattle most bountiful: petroleum Limonero takes its name from deposits in the world, the State one of Zulia's rivers, the wide, muddy Rio Limón. A specialist would still constitute a prime element in the national economy in cattle-raising. Sr Fernando Alvarez, noted that pure-bred cattle do not adjust well to the region's lush, pastures varying climatic and pasture conditions found in Zulia, and nearly a third of the national herd therefore must be bred with 12.5m. people with most of their milk and a hefty share of their steaks and other beef products. Zulia farmers are major producers of maize and plantains, and are an important source of sugar cane, bananas, coconuts, cocoa, yuca, grapes and a raft of other fruits and vegetables.

The region's agricultural growth rates in terms of Gross Domestic Product almost consistently head those of Venezuela's other food producing areas. And although Zulia has received a healthy portion of the more than \$500m. in agricultural credits authorised by the Government over the last 30 months, they note with pride that the impetus for the region's development and success has come primarily from the efforts of local private investors. Indicators that 1.2m. head were slaughtered last year, but no important role in Zulia's agricultural activity and has developed into a powerful force in the dynamics of the Venezuelan economy within a relatively short period of time. Cattle farmers have worked in Zulia since the last century, but only since the 1930s has their impact been felt on a national scale.

Like farmers all over the world, Zulia cattlemen complain about the weather. Rainfall in the northern part of the State see little rain and are obliged to irrigate. Those in the south lake region suffer regular flooding and are still waiting for Government flood control projects to be completed. The recent series of floods that hit Maracaibo—range from 500 hectares to 20,000 in the case of the largest haciendas. Zulia Apure did not bring major pastureland amounts to almost 2m. hectares, of which about 88 per cent is cultivated land. Cattlemen have experimented with a variety of crossbreeds in order to find the types best suited to the region, and to achieve the highest yields of milk and beef. Among the most successful breeds developed are the Mosiac, Zuliano (Zuliano increases of over 300 per cent. Mosiac), which combines sebu with either Holstein or Brown Swiss, and the Criollo Limonero, a hybrid descended from the

Despite these climatic and

Local cattle raisers admit a good deal of Government money has entered Zulia since 1974, but they offer faint praise for other official programmes. Farmers rail about the slow and inefficient bureaucracy of the Agriculture Ministry, what they consider a false orientation in regional affairs. Even Ministry employees frustrated by red tape and the centralised decision-making process that places almost all power in Caracas. One Z cattleman said that "an enterprise has managed to duce, excellent benefits, des the Agriculture Ministry" added: "If the Ministry appeared to-morrow, no on Zulia, would notice."

One Government agency, ever, has put together a set of programmes which are producing positive results for cattlemen and crop farmers. Corporuzulia, the regional development body responsible for managing a wide range of projects including the construction of a \$18bn. steel plant and the cultivation of oys along the Guasare Peninsula, did not bring major funding research and service programmes available to Zulia cattlemen. Corporuzulia's financial aid—called Fusagri, which employed a group of highly qualified agricultural experts to act as trouble-shooters for farmers. Fusagri professionals man an experimental station and are available for consultation and onsite visits in corner of the State.

Local cattlemen complain about the weather. Rainfall in the northern part of the State see little rain and are obliged to irrigate. Those in the south lake region suffer regular flooding and are still waiting for Government flood control projects to be completed. The recent series of floods that hit Maracaibo—range from 500 hectares to 20,000 in the case of the largest haciendas. Zulia Apure did not bring major pastureland amounts to almost 2m. hectares, of which about 88 per cent is cultivated land. Cattlemen have experimented with a variety of crossbreeds in order to find the types best suited to the region, and to achieve the highest yields of milk and beef. Among the most successful breeds developed are the Mosiac, Zuliano (Zuliano increases of over 300 per cent. Mosiac), which combines sebu with either Holstein or Brown Swiss, and the Criollo Limonero, a hybrid descended from the

Despite these climatic and

Local cattle raisers admit a good deal of Government money has entered Zulia since 1974, but they offer faint praise for other official programmes. Farmers rail about the slow and inefficient bureaucracy of the Agriculture Ministry, what they consider a false orientation in regional affairs. Even Ministry employees frustrated by red tape and the centralised decision-making process that places almost all power in Caracas. One Z cattleman said that "an enterprise has managed to duce, excellent benefits, des the Agriculture Ministry" added: "If the Ministry appeared to-morrow, no on Zulia, would notice."

One Government agency, ever, has put together a set of programmes which are producing positive results for cattlemen and crop farmers. Corporuzulia, the regional development body responsible for managing a wide range of projects including the construction of a \$18bn. steel plant and the cultivation of oys along the Guasare Peninsula, did not bring major funding research and service programmes available to Zulia cattlemen. Corporuzulia's financial aid—called Fusagri, which employed a group of highly qualified agricultural experts to act as trouble-shooters for farmers. Fusagri professionals man an experimental station and are available for consultation and onsite visits in corner of the State.

Local cattlemen complain about the weather. Rainfall in the northern part of the State see little rain and are obliged to irrigate. Those in the south lake region suffer regular flooding and are still waiting for Government flood control projects to be completed. The recent series of floods that hit Maracaibo—range from 500 hectares to 20,000 in the case of the largest haciendas. Zulia Apure did not bring major pastureland amounts to almost 2m. hectares, of which about 88 per cent is cultivated land. Cattlemen have experimented with a variety of crossbreeds in order to find the types best suited to the region, and to achieve the highest yields of milk and beef. Among the most successful breeds developed are the Mosiac, Zuliano (Zuliano increases of over 300 per cent. Mosiac), which combines sebu with either Holstein or Brown Swiss, and the Criollo Limonero, a hybrid descended from the

Despite these climatic and

Local cattle raisers admit a good deal of Government money has entered Zulia since 1974, but they offer faint praise for other official programmes. Farmers rail about the slow and inefficient bureaucracy of the Agriculture Ministry, what they consider a false orientation in regional affairs. Even Ministry employees frustrated by red tape and the centralised decision-making process that places almost all power in Caracas. One Z cattleman said that "an enterprise has managed to duce, excellent benefits, des the Agriculture Ministry" added: "If the Ministry appeared to-morrow, no on Zulia, would notice."

One Government agency, ever, has put together a set of programmes which are producing positive results for cattlemen and crop farmers. Corporuzulia, the regional development body responsible for managing a wide range of projects including the construction of a \$18bn. steel plant and the cultivation of oys along the Guasare Peninsula, did not bring major funding research and service programmes available to Zulia cattlemen. Corporuzulia's financial aid—called Fusagri, which employed a group of highly qualified agricultural experts to act as trouble-shooters for farmers. Fusagri professionals man an experimental station and are available for consultation and onsite visits in corner of the State.

Local cattlemen complain about the weather. Rainfall in the northern part of the State see little rain and are obliged to irrigate. Those in the south lake region suffer regular flooding and are still waiting for Government flood control projects to be completed. The recent series of floods that hit Maracaibo—range from 500 hectares to 20,000 in the case of the largest haciendas. Zulia Apure did not bring major pastureland amounts to almost 2m. hectares, of which about 88 per cent is cultivated land. Cattlemen have experimented with a variety of crossbreeds in order to find the types best suited to the region, and to achieve the highest yields of milk and beef. Among the most successful breeds developed are the Mosiac, Zuliano (Zuliano increases of over 300 per cent. Mosiac), which combines sebu with either Holstein or Brown Swiss, and the Criollo Limonero, a hybrid descended from the

Despite these climatic and

Local cattle raisers admit a good deal of Government money has entered Zulia since 1974, but they offer faint praise for other official programmes. Farmers rail about the slow and inefficient bureaucracy of the Agriculture Ministry, what they consider a false orientation in regional affairs. Even Ministry employees frustrated by red tape and the centralised decision-making process that places almost all power in Caracas. One Z cattleman said that "an enterprise has managed to duce, excellent benefits, des the Agriculture Ministry" added: "If the Ministry appeared to-morrow, no on Zulia, would notice."

One Government agency, ever, has put together a set of programmes which are producing positive results for cattlemen and crop farmers. Corporuzulia, the regional development body responsible for managing a wide range of projects including the construction of a \$18bn. steel plant and the cultivation of oys along the Guasare Peninsula, did not bring major funding research and service programmes available to Zulia cattlemen. Corporuzulia's financial aid—called Fusagri, which employed a group of highly qualified agricultural experts to act as trouble-shooters for farmers. Fusagri professionals man an experimental station and are available for consultation and onsite visits in corner of the State.

supply problems Zulia cattlemen manage to keep product steady and are sanguine about the future. Milk output, example, now stands at 2m. litres per day for the Z region, or 70 per cent of national production, and is the increase.

One of the Zulia cattlemen biggest gripes—excluding weather—is the Government even though the present administration has assigned high priority to improve domestic agriculture and have spent several billion dollars on the sector by end of its five-year term 1979.

Clumsy

Local cattle raisers admit a good deal of Government money has entered Zulia since 1974, but they offer faint praise for other official programmes. Farmers rail about the slow and inefficient bureaucracy of the Agriculture Ministry, what they consider a false orientation in regional affairs. Even Ministry employees frustrated by red tape and the centralised decision-making process that places almost all power in Caracas. One Z cattleman said that "an enterprise has managed to duce, excellent benefits, des the Agriculture Ministry" added: "If the Ministry appeared to-morrow, no on Zulia, would notice."

One Government agency, ever, has put together a set of programmes which are producing positive results for cattlemen and crop farmers. Corporuzulia, the regional development body responsible for managing a wide range of projects including the construction of a \$18bn. steel plant and the cultivation of oys along the Guasare Peninsula, did not bring major funding research and service programmes available to Zulia cattlemen. Corporuzulia's financial aid—called Fusagri, which employed a group of highly qualified agricultural experts to act as trouble-shooters for farmers. Fusagri professionals man an experimental station and are available for consultation and onsite visits in corner of the State.

Local cattlemen complain about the weather. Rainfall in the northern part of the State see little rain and are obliged to irrigate. Those in the south lake region suffer regular flooding and are still waiting for Government flood control projects to be completed. The recent series of floods that hit Maracaibo—range from 500 hectares to 20,000 in the case of the largest haciendas. Zulia Apure did not bring major pastureland amounts to almost 2m. hectares, of which about 88 per cent is cultivated land. Cattlemen have experimented with a variety of crossbreeds in order to find the types best suited to the region, and to achieve the highest yields of milk and beef. Among the most successful breeds developed are the Mosiac, Zuliano (Zuliano increases of over 300 per cent. Mosiac), which combines sebu with either Holstein or Brown Swiss, and the Criollo Limonero, a hybrid descended from the

Despite these climatic and

Local cattle raisers admit a good deal of Government money has entered Zulia since 1974, but they offer faint praise for other official programmes. Farmers rail about the slow and inefficient bureaucracy of the Agriculture Ministry, what they consider a false orientation in regional affairs. Even Ministry employees frustrated by red tape and the centralised decision-making process that places almost all power in Caracas. One Z cattleman said that "an enterprise has managed to duce, excellent benefits, des the Agriculture Ministry" added: "If the Ministry appeared to-morrow, no on Zulia, would notice."

One Government agency, ever, has put together a set of programmes which are producing positive results for cattlemen and crop farmers. Corporuzulia, the regional development body responsible for managing a wide range of projects including the construction of a \$18bn. steel plant and the cultivation of oys along the Guasare Peninsula, did not bring major funding research and service programmes available to Zulia cattlemen. Corporuzulia's financial aid—called Fusagri, which employed a group of highly qualified agricultural experts to act as trouble-shooters for farmers. Fusagri professionals man an experimental station and are available for consultation and onsite visits in corner of the State.

Local cattlemen complain about the weather. Rainfall in the northern part of the State see little rain and are obliged to irrigate. Those in the south lake region suffer regular flooding and are still waiting for Government flood control projects to be completed. The recent series of floods that hit Maracaibo—range from 500 hectares to 20,000 in the case of the largest haciendas. Zulia Apure did not bring major pastureland amounts to almost 2m. hectares, of which about 88 per cent is cultivated land. Cattlemen have experimented with a variety of crossbreeds in order to find the types best suited to the region, and to achieve the highest yields of milk and beef. Among the most successful breeds developed are the Mosiac, Zuliano (Zuliano increases of over 300 per cent. Mosiac), which combines sebu with either Holstein or Brown Swiss, and the Criollo Limonero, a hybrid descended from the

Despite these climatic and

Local cattle raisers admit a good deal of Government money has entered Zulia since 1974, but they offer faint praise for other official programmes. Farmers rail about the slow and inefficient bureaucracy of the Agriculture Ministry, what they consider a false orientation in regional affairs. Even Ministry employees frustrated by red tape and the centralised decision-making process that places almost all power in Caracas. One Z cattleman said that "an enterprise has managed to duce, excellent benefits, des the Agriculture Ministry" added: "If the Ministry appeared to-morrow, no on Zulia, would notice."

One Government agency, ever, has put together a set of programmes which are producing positive results for cattlemen and crop farmers. Corporuzulia, the regional development body responsible for managing a wide range of projects including the construction of a \$18bn. steel plant and the cultivation of oys along the Guasare Peninsula, did not bring major funding research and service programmes available to Zulia cattlemen. Corporuzulia's financial aid—called Fusagri, which employed a group of highly qualified agricultural experts to act as trouble-shooters for farmers. Fusagri professionals man an experimental station and are available for consultation and onsite visits in corner of the State.

Local cattlemen complain about the weather. Rainfall in the northern part of the State see little rain and are obliged to irrigate. Those in the south lake region suffer regular flooding and are still waiting for Government flood control projects to be completed. The recent series of floods that hit Maracaibo—range from 500 hectares to 20,000 in the case of the largest haciendas. Zulia Apure did not bring major pastureland amounts to almost 2m. hectares, of which about 88 per cent is cultivated land. Cattlemen have experimented with a variety of crossbreeds in order to find the types best suited to the region, and to achieve the highest yields of milk and beef. Among the most successful breeds developed are the Mosiac, Zuliano (Zuliano increases of over 300 per cent. Mosiac), which combines sebu with either Holstein or Brown Swiss, and the Criollo Limonero, a hybrid descended from the

Despite these climatic and

Local cattle raisers admit a good deal of Government money has entered Zulia since 1974, but they offer faint praise for other official programmes. Farmers rail about the slow and inefficient bureaucracy of the Agriculture Ministry, what they consider a false orientation in regional affairs. Even Ministry employees frustrated by red tape and the centralised decision-making process that places almost all power in Caracas. One Z cattleman said that "an enterprise has managed to duce, excellent benefits, des the Agriculture Ministry" added: "If the Ministry appeared to-morrow, no on Zulia, would notice."

One Government agency, ever, has put together a set of programmes which are producing positive results for cattlemen and crop farmers. Corporuzulia, the regional development body responsible for managing a wide range of projects including the construction of a \$18bn. steel plant and the cultivation of oys along the Guasare Peninsula, did not bring major funding research and service programmes available to Zulia cattlemen. Corporuzulia's financial aid—called Fusagri, which employed a group of highly qualified agricultural experts to act as trouble-shooters for farmers. Fusagri professionals man an experimental station and are available for consultation and onsite visits in corner of the State.

Local cattlemen complain about the weather. Rainfall in the northern part of the State see little rain and are obliged to irrigate. Those in the south lake region suffer regular flooding and are still waiting for Government flood control projects to be completed. The recent series of floods that hit Maracaibo—range from 500 hectares to 20,000 in the case of the largest haciendas. Zulia Apure did not bring major pastureland amounts to almost 2m. hectares, of which about 88 per cent is cultivated land. Cattlemen have experimented with a variety of crossbreeds in order to find the types best suited to the region, and to achieve the highest yields of milk and beef. Among the most successful breeds developed are the Mosiac, Zuliano (Zuliano increases of over 300 per cent. Mosiac), which combines sebu with either Holstein or Brown Swiss, and the Criollo Limonero, a hybrid descended from the

Despite these climatic and

Local cattle raisers admit a good deal of Government money has entered Zulia since 1974, but they offer faint praise for other official programmes. Farmers rail about the slow and inefficient bureaucracy of the Agriculture Ministry, what they consider a false orientation in regional affairs. Even Ministry employees frustrated by red tape and the centralised decision-making process that places almost all power in Caracas. One Z cattleman said that "an enterprise has managed to duce, excellent benefits, des the Agriculture Ministry" added: "If the Ministry appeared to-morrow, no on Zulia, would notice."

supply problems Zulia cattlemen manage to keep product steady and are sanguine about the future. Milk output, example, now stands at 2m. litres per day for the Z region, or 70 per cent of national production, and is the increase.

One of the Zulia cattlemen biggest gripes—excluding weather—is the Government even though the present administration has assigned high priority to improve domestic agriculture and have spent several billion dollars on the sector by end of its five-year term 1979.

Clumsy

Local cattle raisers admit a good deal of Government money has entered Zulia since 1974, but they offer faint praise for other official programmes. Farmers rail about the slow and inefficient bureaucracy of the Agriculture Ministry, what they consider a false orientation in regional affairs. Even Ministry employees frustrated by red tape and the centralised decision-making process that places almost all power in Caracas. One Z cattleman said that "an enterprise has managed to duce, excellent benefits, des the Agriculture Ministry" added: "If the Ministry appeared to-morrow, no on Zulia, would notice."

One Government agency, ever, has put together a set of programmes which are producing positive results for cattlemen and crop farmers. Corporuzulia, the regional development body responsible for managing a wide range of projects including the construction of a \$18bn. steel plant and the cultivation of oys along the Guasare Peninsula, did not bring major funding research and service programmes available to Zulia cattlemen. Corporuzulia's financial aid—called Fusagri, which employed a group of highly qualified agricultural experts to act as trouble-shooters for farmers. Fusagri professionals man an experimental station and are available for consultation and onsite visits in corner of the State.

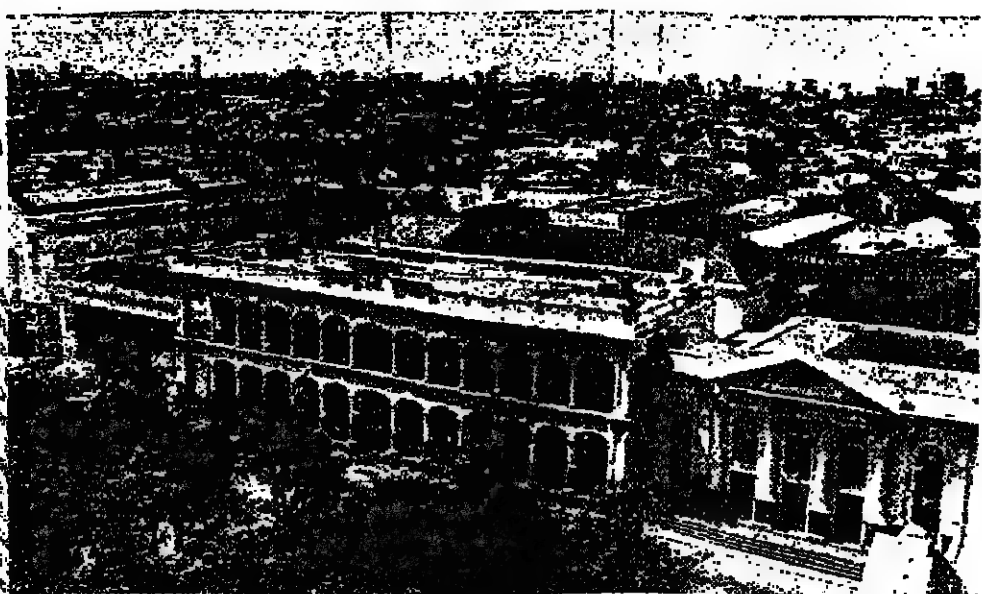
Local cattlemen complain about the weather. Rainfall in the northern part of the State see little rain and are obliged to irrigate. Those in the south lake region suffer regular flooding and are still waiting for Government flood control projects to be completed. The recent series of floods that hit Maracaibo—range from 500 hectares to 20,000 in the case of the largest haciendas. Zulia Apure did not bring major pastureland amounts to almost 2m. hectares, of which about 88 per cent is cultivated land. Cattlemen have experimented with a variety of crossbreeds in order to find the types best suited to the region, and to achieve the highest yields of milk and beef. Among the most successful breeds developed are the Mosiac, Zuliano (Zuliano increases of over 300 per cent. Mosiac), which combines sebu with either Holstein or Brown Swiss, and the Criollo Limonero, a hybrid descended from the

Despite these climatic and

Local cattle raisers admit a good deal of Government money has entered Zulia since 1974, but they offer faint praise for other official programmes. Farmers rail about the slow and inefficient bureaucracy of the Agriculture Ministry, what they consider a false orientation in regional affairs. Even Ministry employees frustrated by red tape and the centralised decision-making process that places almost all power in Caracas. One Z cattleman said that "an enterprise has managed to duce, excellent benefits, des the Agriculture Ministry" added: "If the Ministry appeared to-morrow, no on Zulia, would notice."

One Government agency, ever, has put together a set of programmes which are producing positive results for cattlemen and crop farmers. Corporuzulia, the regional development body responsible for managing a wide range of projects including the construction of a \$18bn. steel plant and the cultivation of oys along the Guasare Peninsula, did not bring major funding research and service

ZULIA V



View of Maracaibo, with the Governor's residence in the foreground

A fast changing capital

YOUNG Black wearing a straw hat and a sweat-soaked T-shirt drove his wood-key cart past a row of Maracaibo homes, many with yellow-tiled iron window grilles and iron coloured facades. At the end of the quiet street—has seen few changes in 50 years—the driver of his two-wheeled wagon found himself in a principal thoroughfare in a mid-afternoon traffic jam with scores of new American automobiles.

Like his wooden cart, with the rest of the community including the Guajiro Indians, an important part of the city's social fabric. But like this, who could be from a century ago, are seeing profound changes in shape and style of their More than any other Venezuelan city, Maracaibo is shedding its image as a sluggish provincial capital plunging headlong into the construction of a modern centre.

capital of Zulia State, Maracaibo is Venezuela's second city and a thriving centre for commerce, agriculture, construction and petroleum. It is the very essence of a developing city in a developing country. New high-rise buildings and rows of five colonial-style houses are being built out of the old wood and blue facades. The city is a host of construction sites, white-collared workers and vendors in the place sweat in the sun, giving the lie to that link lethargy to temperatures.

men and crop farmers the rich agricultural surrounding Lake Maracaibo find their supplies and

markets in the State capital. A few years ago construction in Maracaibo was limited. Between 1958-64 only four commercial buildings were erected, the tallest no more than six stories. But between 1964 and now over 100 office and residential buildings have gone up, some standing as high as 20 floors. "In Maracaibo, we are experiencing what Caracas did 20 years ago," the banker said. "We are in a period of growth that is only beginning."

Ironically, Zulia's role as supplier of more than 80 per cent of Venezuelan crude production has not given it any special status in terms of Government subsidies. In fact, wealth extracted from the earth and lake bottom around Maracaibo reaches the national capital and seldom filters back to its point of origin.

Although the present administration headed by President Carlos Andres Perez has laid great stress on Government aid to areas outside the capital region—where most of the country's investment had been concentrated—Zulia's businessmen still believe that the flow of federal funds to Maracaibo has been languid. (This situation should be altered in coming years with multi-billion dollar Government investments in steel and petrochemical operations for the State.)

Booming

In an interview, Sr. Marcos Gutierrez Perez, executive vice-president of the Banco Hipotecario del Zulia, one of the nation's leading mortgage institutions, confirmed the impression that things are booming in Maracaibo. "Construction will continue to be the biggest enterprise in Zulia," he said. "Filling the great need for private housing and exercising an important multiplier effect on the economy." He added that the construction industry will be a particularly helpful source of employment for the thousands of unskilled workers living in Zulia.

Latin America, and the hard chromium modernism of the Venezuelans; Jesús Soto and Carlos Cruz Diez.

Painting and sculpture were given a big boost during the 1960s under the patronage of the d'Empaire family, prominent in local business, who instituted a series of annual awards. Tucked in beside the Centro's pleasant little cafeteria is the Mall Mai shop, which has served as a springboard for one of the region's best known artists.

Straddling

Ten years ago Luis Montiel was an unknown Guajiro Indian, one of a race of many thousands of indigenous who occupy land straddling the Venezuelan-Colombian border in the Guajiro Peninsula. He lived in the village of Mali Mai, a small collection of huts about an hour's drive north of Maracaibo, and wove saddle cloths for the Guajiros who were rich enough to own a horse with which to tend their scrawny cattle and sheep in the parched countryside.

The saddle-cloths, produced in startlingly bright colours to simple geometrical designs, caught the eye of a visitor, Maxula d'Empaire, a member of the family which has done much for the Centro. Seeing his talent, she and her brother Oscar adopted Montiel, promoted him and eventually got him the financial backing that

A few years ago construction in Maracaibo was limited. Between 1958-64 only four commercial buildings were erected, the tallest no more than six stories. But between 1964 and now over 100 office and residential buildings have gone up, some standing as high as 20 floors. "In Maracaibo, we are experiencing what Caracas did 20 years ago," the banker said. "We are in a period of growth that is only beginning."

Ironically, Zulia's role as supplier of more than 80 per cent of Venezuelan crude production has not given it any special status in terms of Government subsidies. In fact, wealth extracted from the earth and lake bottom around Maracaibo reaches the national capital and seldom filters back to its point of origin.

Although the present administration headed by President Carlos Andres Perez has laid great stress on Government aid to areas outside the capital region—where most of the country's investment had been concentrated—Zulia's businessmen still believe that the flow of federal funds to Maracaibo has been languid. (This situation should be altered in coming years with multi-billion dollar Government investments in steel and petrochemical operations for the State.)

The president of the Zulia Chamber of Industry, Sr. Manuel Muchacho Armas, takes pride in pointing out the Zulia's industrial growth is a product of local investors, and that Government funds for industry amount to only about 40 per cent of the total. Industrial expansion for the Zulia area will only be equalled, he says, by the exponential growth in the south-east Guayana region, where the Government is spending several billion dollars for projects in steel, aluminium, hydro-electric power, iron ore and railroads.

he needed to increase his production. His work began to be sold at the Centro.

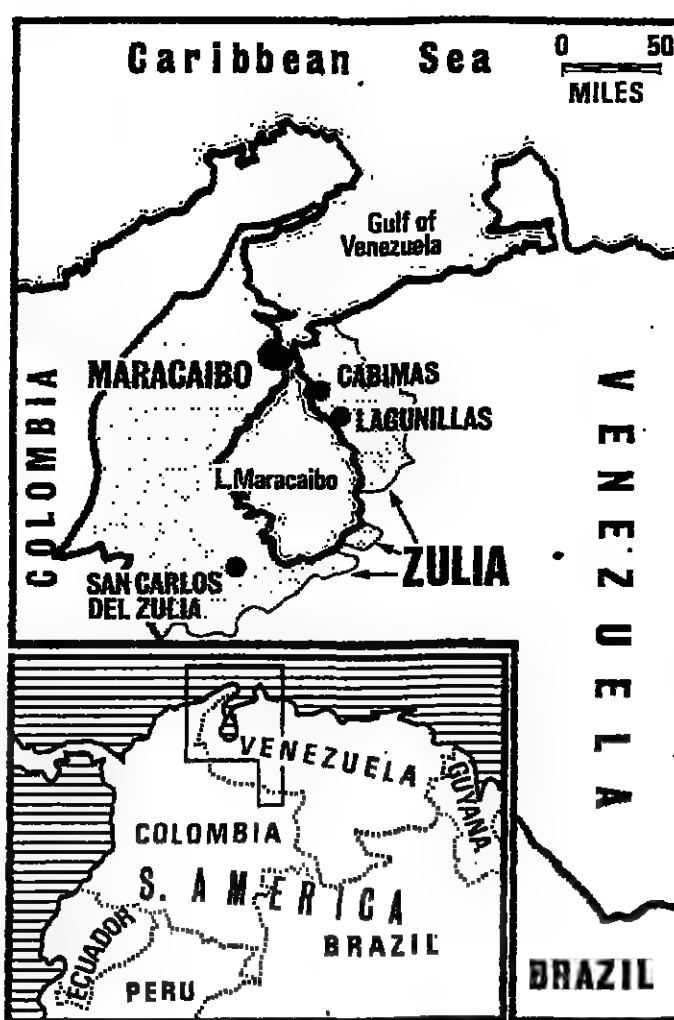
The three of them have now been so successful that there is scarcely a bank headquarters or major public building in the country which does not have a tapestry that Montiel and his workshop now principally turn out.

Supported by sales at the Mali Mai shop at the Centro, Montiel employs more than a score of young Guajiros at his village workshop to satisfy demand. His master work has been the main curtain at the Centro's theatre, which measures more than 53 feet long and 22 feet high and which took 13 men six months to complete.

His work has meanwhile found its way into museums and private collections in many European countries and the majority of countries of the Western Hemisphere, and among the exhibitions he has held has been one sponsored by the Smithsonian Institute in Washington.

Montiel and his group of collaborators have received the ultimate compliment of being widely imitated by other Guajiro craftsmen and by the factories of Caracas, and in the small hacienda he has bought himself near Mali Mai he is working out new designs which will allow him to keep ahead of his rivals.

H. O'S.



Although Maracaibo is clearly a city in transition (people still keep ducks, chickens and goats in quiet backyards a few blocks from the modern downtown area) it has unfortunately acquired some of the problems of more advanced metropolises. The nearby lake, whose pleasant breeze cools the flat, torrid city, is closed to bathing. Bacteria counts are often dangerously high because of the untreated sewage pumped into the lake from this city of 650,000. In addition, oil leakage and dumping of chemicals from plants at El Tablazo have caused further deterioration and give the waters a disagreeable look.

Control

The petroleum companies operating around the lake, however, have taken measures to control pollution and clean up the waters. A report on Lake Maracaibo pollution prepared by a U.S. research group concluded that underwater oil seepage had affected the lake long before commercial exploitation began a half century ago, and that the dumping of sewage from Maracaibo was the lake's worst enemy. But despite continued affronts against the lake's ecological balance, fishermen still manage to find succulent crabs in the murky waters.

In downtown Maracaibo, a more immediate and dangerous problem stems from the city's leaky natural gas network. The gas lines, laid in 1938, are in a poor state of repair and are believed to allow the escape of some 4m. cubic metres of gas per day. The 450-kilometre gas system presents a serious threat to residents, many observers say, but municipal lethargy and political squabbles have impeded any clear solution to the dilemma.

"It's like sitting on a small volcano," a local businessman said, "but fortunately we haven't had a major eruption yet."

The Port of Maracaibo, with ten berths and total dock length of 1,235 metres, has been obliged to absorb a heavy increase in imports since Venezuela's oil income practically quadrupled to \$8.56bn. in 1974, and total national imports jumped from \$2.52bn. in 1973 to \$3.75bn. the following year and \$5.31bn. for 1975. But Maracaibo has not suffered from the severe congestion afflicting Venezuela's principal seaport, La Guaira, and the Government has announced plans to spend \$10.5m. in improving the local facilities.

Unemployment in the Maracaibo metropolitan area reached slightly over eight per cent last year, according to estimates made by the Zulia Planning and Co-ordinating Council (Conzuplan), but the employment picture is complicated by the presence of hundreds of thousands of Colombians living illegally throughout Zulia State. Official figures place the number of Colombians without proper visas at approximately 200,000 for Maracaibo alone, or nearly one-third of the population. Among Zulia's total population of 1.5m., Colombian indocumentados (or citizens without legal papers) are thought to number over 400,000.

The presence of so many illegal Colombians is both a scourge and a blessing for Venezuelan authorities. Peasants and unskilled workers from the neighbouring country are lured to Maracaibo, Caracas and other Venezuelan cities by the nation's petrodollar prosperity, and can often find jobs at wages below those paid to Venezuelans. Even at substantial salaries according to Venezuelan standards, many Colombians can earn eight times what they would doing similar work in Colombia.

Frequently these illegal immigrants will accept menial jobs that Venezuelans find unpalatable. Without saying so, some Venezuelan farmers and

Zulia has everything you want... also The Bank of Your Life

Come to Zulia Come to The Bank of Your Life

Banco de Comercio
The Bank of Your Life

Sucursal Maracaibo
Edificio Banco de Comercio
Calle 76, Esquina Av. 18
Maracaibo, Estado Zulia
Venezuela

Sede Principal
Edificio Banco de Comercio
Esquina San Jacinto
Caracas, 101
Venezuela



Balance Sheet as at 31st December 1975

| ASSETS | Bolivars | (£) |
|-------------------------------------|----------------------|------------------------|
| Technical Reserves | 39,771,182.48 | (5,601,575.00) |
| State Deposit | 830,000.00 | (116,901.41) |
| Investments not included in | | |
| Technical Reserves | 3,251,300.77 | (457,929.69) |
| Fixed Assets after Depreciation | 778,069.70 | (109,587.28) |
| Debtors' Accounts for Reinsurance | 22,026,447.73 | (3,102,316.58) |
| Other Debts | 9,794,473.19 | (1,379,503.27) |
| Recoverable Earned Profits | 285,542.12 | (40,217.20) |
| Current Assets | 133,252.49 | (18,787.96) |
| Other Assets | 3,425.00 | (482.39) |
| TOTAL ASSETS | 76,873,693.48 | (10,827,280.77) |
| Memorandum items | 29,159,168.52 | (4,106,925.14) |
| LIABILITIES | Bolivars | (£) |
| Technical Reserves | 34,625,365.05 | (4,876,811.98) |
| Creditors' Accounts for Reinsurance | 19,960,262.77 | (2,811,304.62) |
| Other Creditors' Accounts | 5,887,527.35 | (829,229.20) |
| Deferred Liabilities | 309,725.27 | (43,623.28) |
| Other Liabilities | 41,640.00 | (5,864.79) |
| Reserve Estimates | 958,317.16 | (134,974.25) |
| Paid-Up Equity Capital | 7,500,000.00 | (1,056,338.03) |
| Surplus to Reserves | 7,590,855.88 | (1,069,134.63) |
| TOTAL LIABILITIES | 76,873,693.48 | (10,827,280.77) |
| Memorandum items | 29,159,168.52 | (4,106,925.14) |

SEGUROS CATATUMBO

Avenida 4, N° 83-49 Maracaibo-Edo. Zulia, Venezuela

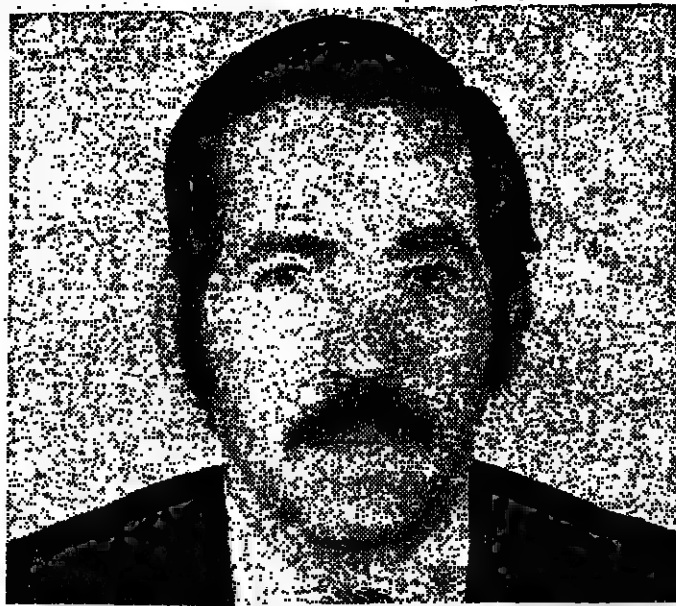
Tel.: 80 691-95, 81 151-54, 73 611-15.

Autorizada la publicación de este Balance por el Ministerio de Hacienda, Superintendencia de Seguros, bajo el No. 8 del 22 de Abril de 1976, Oficio No. 1.044.

ZULIA VI



Governor of Zulia, Omar Baralt: his State's role in the national economy is growing fast



Leading industrialist Carlos Pardi: attracting industry to Maracaibo

Omar Baralt

THE MAN who runs the State of Zulia, Governor Omar Baralt, finds himself in a curious position. His State is Venezuela's largest in terms of population, second only to the Federal District, which includes the 3m. residents of Caracas. Petroleum from Zulia's subsoil is the motor of national economy, bringing the Treasury the great bulk of its income. Milk and cattle from the State's rich farmlands are key elements in the nation's food supply.

Despite all this, Zulia has been assigned the traditional role of a Latin American province or city that has the ill fortune not to be the capital: wealth provided by the region flows outward to Caracas in exponentially greater quantities than that at which it returns. And, as in other parts of Latin America, political power, investment and major Government projects tend to group themselves around the capital city, only reluctantly filtering out to the rest of the country.

But Governor Baralt, an attorney and long-time member of the Government Party, Democratic Action, has had the good fortune to assume his post at a time when the Government's firm policy is to grant local government greater autonomy and share the nation's wealth on a more equitable basis.

Zulia has been assigned important projects in steel and coal which will bring billions of dollars in Treasury funds into the area, provide thousands of new jobs and literally transform the economic dynamics of

the State. At the same time, the Governor has been able to work with a vigorous group of local private investors who have shown no reluctance in committing themselves wholeheartedly to regional development.

The Governor, a Zulia native who formerly headed a Government financing agency, the Corporación Venezolana de Fomento (CVF), has also actively lobbied in Caracas for a more important State role in the national economy. His efforts have borne considerable fruit, as is shown by the fact that he has announced new projects totalling some \$216m. for Zulia's State capital, Maracaibo. The State itself will contribute \$56m., while the central government is to provide \$160m. for a host of programmes in education, agriculture, health and natural resources.

Jorge Perez Amado

MOST PEOPLE would be content with either exercising a profession or directing a successful business enterprise. But Sr. Jorge Pérez Amado, a 57-year-old Zulia native, decided to combine his training as a petroleum engineer with a flair for management, and thereby produced a professional amalgam that has been of great value to his State's economic growth.

Sr. Pérez Amado, a cordial slightly balding man with an engaging personality, is one of the most prominent members of Zulia's active business community, and has been a motivat-

ing force in stimulating private sector interest in Venezuela's petrochemical industry.

The engineer-turned-businessman currently is President of the Grupo Zuliano, a holding company for four petrochemical concerns, and chief executive officer of Cerveza Regional, one of Venezuela's successful beer producers. Sr. Pérez Amado, who studied in the U.S. and Venezuela, is also a member of the Board of directors of the Banco Hipotecario del Zulia, the region's largest mortgage bank, and has served as a director of the State-owned oil company, Corporación Venezolana del Petróleo (CVP) and of Asoquim, Venezuela's association of chemical manufacturers. Besides his native Spanish, he speaks both English and German fluently.

Carlos Pardi

SR. CARLOS PARDI is one of the principal figures involved in attracting industry to Maracaibo. Besides running Manufacturas Hidromecánicas, a plant producing water pumps in partnership with the FMC Corporation of the U.S., Pardi is chairman of COMIDMA, the Industrial Zone of Maracaibo Company. After a difficult start ten years ago, Maracaibo now has 115 companies on the present industrial estate. By the middle of next year Sr. Pardi hopes to have the first stage of a new development of 187 hectares completed. In contrast to the sticky start the existing estate had about a quarter of the new estate has been taken up, and plans have

already been drawn up for two further expansions of 200 hectares and 363 hectares. "We are lucky in Maracaibo to have a pool of industrial labour produced by the oil industry, and that sort of labour is scarce in Venezuela. What is more labour's relations with management has usually been very good here, Sr. Pardi says. He admits, however, that the labour market could get much tighter when the big new steel development comes to Maracaibo and the demand for labour of all sorts rises. Employers in Maracaibo, like everywhere else in Venezuela, are conscious of the need for a great deal more industrial training if the country is ever going to fulfil its plans.

Sr. Pardi is confident that he will be able to get tax concessions for new companies moving into Maracaibo to join the established names like Westinghouse and Pepsi-Cola, one of whose largest plants in Latin America is sited in the existing industrial zone. He is also confident that Maracaibo's geographical proximity to Colombia, Venezuela's largest partner in the Andean Pact, is an advantage for industrialists settling in Maracaibo. "We don't do any exporting from Industrias Hidromecánicas, but buyers just come over the border from Colombia, buy our pumps and drive away," he says.

Sr. Pardi's career is fairly typical of many managers in the area. He graduated from the Georgia Institute of Technology in 1965 as an industrial engineer and thereafter spent a year working for a Venezuelan subsidiary of Philip Morris, starting with Manufacturas Hidromecánicas in 1966.

Fernando Chumaceiro

IN A COUNTRY where the political appointees put into office by one government do not often survive the arrival of another government, the case of Dr. Fernando Chumaceiro is something of an exception. Dr. Chumaceiro has been head of Corpozulia since 1970 when he was appointed by President Rafael Caldera, leader of COPEI, the Venezuelan Christian Democratic Party. His tenure of office was confirmed after President Carlos Andrés Pérez took over last year.

The 45-year-old Dr. Chumaceiro has had the responsibility for the Corporation at a time when it is just beginning to move out of the era of planning a new industrial future for the province to overseeing actual construction activity.

A maracucho or native of Maracaibo, Dr. Chumaceiro spent some time at school in the U.S. before graduating as a lawyer at the University of Zulia in 1967. He did a spell as deputy for Zulia in the Venezuelan congress before devoting himself full time to the Corporation.

One of his prized possessions is a letter he received from London in the middle of the war in response to one he, as a confident ten-year-old, had sent to Winston Churchill pledging the encouragement and support of the Zulus for the British war effort.

Corpozulia steps up its programme

THE VENEZUELAN Government's main effort to undo a century and a half of centralised economic power has been directed through a set of regional development agencies, within two or more states or federal territories, and inevitably are forced to cope with a lack of co-ordination, overlapping authority and mounds of inter-governmental red tape.

Now, however, Corpozulia (the Zulia Regional Development Corporation) has been charged with elaborating two of Venezuela's most ambitious programmes: the \$100m. Zulia Steel Complex to be built south of Maracaibo, and the exploitation of the Zulia Coal Basin. In addition, it continues to promote activities on a more modest scale throughout the State.

Under the presidency of Sr. Fernando Chumaceiro, Corpozulia spent nearly \$20m. in 1974-75, the bulk of which was destined for investment in both private and State-owned projects. Corpozulia's range of interests includes urban planning, the construction of a tourist centre near a Guajira village, agricultural and agro-industrial consultation and project financing, a yard for building fishing vessels, a bridge spanning the Rio Limón and a programme for the cultivation of oysters using technological aid from South Korea. Most of the institution's income is allocated by the central Government in Caracas, but Corpozulia will invest these resources according to its own set of priorities for regional needs.

In an interview with the Director of Corpozulia, Sr. Alonso Guerrero, the regional official stressed that his agency had deliberately chosen small projects at the outset in order to achieve concrete results within a short period of time. He noted that many Government agencies become bogged down in elaborating large-scale programmes where a great deal of money is spent on little more than planning.

Sr. Guerrero also pointed out that Corpozulia's tasks have been made less complicated since the scope of the agency's

Channelling

The Corpozulia Directors indicated that, while the agency was channelling money and manpower into the development of the coal and steel projects, other areas of activity were not being neglected. Along the eastern side of Lake Maracaibo, for example, Corpozulia is studying the addition of new assistance to some 2,500 petrochemical facilities, construction of a plant which would produce pipelines needed by the petroleum industry and stations in various agricultural programmes. Corpozulia is particularly interested in injecting new investment into the eastern working for the Agrícola lake communities, which have suffered in recent years as the petroleum industry contracted. The oil companies working in Zulia, like those all over Venezuela, have steadily reduced their payrolls as the industry left behind the era of exploration and expansion and entered a state of consolidation and production. Venezuela's capital-intensive oil industry now employs a total of 23,000, down from the 43,327 persons working in 1964.

Corpozulia is also seeking to improve conditions for the Indians living on the Venezuelan portion of the Guajira Peninsula, a stretch of territory in north-west Zulia which lies between the Gulf of Venezuela and the Colombian border. Sr. Guerrero said that plans are being made for supplying the arid Guajira region with water, developing tourist projects that emphasise the natural beauty of the area and creating beaches for Zulia residents and tourists. Corpozulia has already established an attractive restaurant in the Sinaguilla Lagoon at the

base of the peninsula. Both restaurant and the 15 dwellings around it are on stilts over the waters of the lagoon, and visitors are not about in powerful boats. (According to local accounts, the Spanish explorer Alonso de Ojeda was impressed by the sight of Indian huts resting on stilts over part of Lake Maracaibo, and called the region Venezuela ("Little Venice") because it reminded him of the Italian city.)

Another of Corpozulia's efforts is a joint programme between the regional body and a Government-funded cultural research agency, Fusagari. Formerly spent by Shell de Venezuela, Fu sagari now continues its agricultural extension activities with financing from Corpozulia. In 1974 Fusagari provided technical assistance to some 2,500 farmers, constructing a number of roads and pipelines needed by the petroleum industry and stations in various agricultural programmes. Corpozulia is particularly interested in injecting new investment into the eastern working for the Agrícola lake communities, which have suffered in recent years as the petroleum industry contracted. The oil companies working in Zulia, like those all over Venezuela, have steadily reduced their payrolls as the industry left behind the era of exploration and expansion and entered a state of consolidation and production. Venezuela's capital-intensive oil industry now employs a total of 23,000, down from the 43,327 persons working in 1964.

Corpozulia is also seeking to improve conditions for the Indians living on the Venezuelan portion of the Guajira Peninsula, a stretch of territory in north-west Zulia which lies between the Gulf of Venezuela and the Colombian border. Sr. Guerrero said that plans are being made for supplying the arid Guajira region with water, developing tourist projects that emphasise the natural beauty of the area and creating beaches for Zulia residents and tourists. Corpozulia has already established an attractive restaurant in the Sinaguilla Lagoon at the

Join us in Venezuela's growth

We are the only Commercial and Mortgage Bank of Venezuela. That's why we can offer the most complete banking services in the country. Offices in Caracas and in the main cities.



Head Office: Torre a Madrices
Edificio Arvelo, Telex 22604,
P.O. Box 888, Caracas, Venezuela

banco de los Trabajadores de Venezuela c.a.
Mortgage and Commercial Bank



This symbol generates Venezuelan development

- Savings Accounts
- Checking Accounts
- Travel Credits
- Financial Advice
- Credimático BND (Master Charge)
- Industrial Credits
- Agricultural Loans
- and many other services



Banco Nacional de Descuento

Address: Conde a Carmelitas, Edificio Banco Nacional de Descuento, Caracas - Venezuela
Telephone: 81.98.51 - Cable: BANCONAC

شركة التمويل

The Management Page

مكتبة الأعمال

EDITED BY JOHN ELLIOTT

Extensive groundwork has to be carried out by a merchant banker if he is to be successful when handling company takeovers. Keith Lewis reports.

Specialist financial adviser

It is fostering the belief that the combined weight of the City's takeover specialists may have killed off the takeover bids that have been coming thick and fast since the summer and the merger of the two banks, which once made it a leading part in the City's life, are having to brush aside the old skills of takeover specialists.

Where he lost a fight, he has been often forced to pay a higher price—as in the case of IPC, the publishing group which eventually succumbed to the overtures of Reed International. Other such examples were Polford Ball when it was taken over by Ransome, and Woodall Duckham when it became part of Babcock & Wilcox.



Mr. Charles Ball

Ashley Ashwood

After often acting on behalf of those fighting off bids, he has more recently shown his willingness to become the predator instead of the champion of the oppressed. The best example of this was the part he recently played in the takeover of Manbré & Garton by Tate & Lyle. On this occasion Barclays Merchant Bank acted in concert with Mr. Ball's former employer Kleinwort Benson in penetrating the defences thrown up by another takeover veteran, Mr. Frank Smith, chairman of Manbré & Garton, and formerly with merchant bankers S. G. Warburg.

C battle

The Tate bid, succeeded despite Frank Smith's stout defence, objections from the Office of Fair Trading, the personal opposition of Mrs. Shirley Williams, then Secretary of State for Prices and Consumer Protection, and loud cries of protest from Manbré employees and customers. But Charles Ball and his colleagues had done their homework and had gained the approval of various powerful Ministers which saw the deal in a different light from the OFT and Tate won.

immersed until recently was the Babcock bid for Loughborough crane manufacturers Herbert Morris. The bid is still continuing but Charles Ball has been eliminated from the fight in a legal tactic devised by Kleinwort Benson. He was eclipsed because of his knowledge of the affairs of Herbert Morris, having acted on its behalf when he was with Kleinwort. As he was forced to admit at the time, "perhaps Kleinwort's has learned a thing or two since I left."

Briefly, the situation began prior to Babcock's intervention. A Midlands company called Amalgamated Industrials built up a 37.7 per cent. shareholding in Morris and then made an offer for the remaining equity. However, the offer was referred by the Office of Fair Trading to the Monopolies Commission which subsequently ruled that the deal was "against the public interest" and so the takeover was blocked.

Amalgamated was ordered by the OFT to sell its shares in Morris but it refused and a trial of strength between the two was only settled when Babcock stepped in and bought the Morris shares owned by Amalgamated. Babcock was then immediately obliged to bid for the remaining Morris shares since the City Takeover Code requires any company buying 30 per cent. or more of another's equity to make an offer for outstanding shares.

Morris, having asked for a Monopolies Commission investigation when Amalgamated bought its shares is making the same request now that Babcock

long as it is cheaper for companies to expand by buying a going concern—than it is to set up from scratch. He is, therefore, in a position of considerable responsibility. And this is not lost on the man, who claims that keeping outside directorships, as he does, is vital for remaining in contact with what is going on in industry.

From this vantage point of straddling both banking and industry and having a wide spread of financial responsibilities, Charles Ball is quick to present himself as a staunch defender of the City. He argues that whenever the City has been called upon to raise cash the funds have always been there. He has strong views about the Equity Capital for Industry concept, however, and argues that the people who manage unit trust, insurance and pension fund money have a responsibility to act in the interests of the investors, policyholders and members. He points out that anyone who approaches ECI has to have one element of lameness about it. And that "anyone who approaches the National Enterprise Board has to have two lame legs."

Recovery

Any recovery in investment by industry will only be seen when the industrialist can escape the higher interest rates and can satisfy himself that the effect is worthwhile and there is some compensation for the risk, he maintains.

Charles Ball is not an advocate of having one voice to speak for the entire City; he argues that there is such a multiplicity of activities and interests that this is impossible. He is violently opposed to the nationalisation proposals, which he says would achieve nothing. He reckons that depositors and, in the case of insurance companies, the policyholders would see this as a way of the Government getting its hands on their money and would merely pull out.

As for the appointment of Sir Harold Wilson to head a committee to review the City, Charles Ball sees this as a possible device to postpone the prospect of nationalisation. He bases this view on the fact that the Left-wing would almost certainly accept whatever Sir Harold reports as his findings.



Anti-trust frustrations

BY A. H. HERMANN

THE WIDESPREAD publicity that is constantly being given to matters such as price-cutting orders, and investigations of commercial monopolies and large-scale takeovers is welcomed by Governments and by agencies such as the European Commission. This is because the publicity pleases consumers and small and medium sized companies who are suspicious of multi-national giants.

But despite all the publicity, big companies really have little to fear except maybe a few pin-pricks. A review of anti-trust operations in the past three or four years should reassure the multi-nationals that they can usually frustrate attacks on their operations by employing swarms of high-powered lawyers to exploit both procedural and substantive niceties of the law. But this explanation is hardly sufficient. The truth of the matter is that Governments, as well as European Community institutions, have no need to weigh the interests of encouraging competition policy against other interests. These interests can include preserving jobs, defending industry's position on foreign markets, and, last but not least, to avoid making too many influential enemies.

For example, there was the discrepancy between, on the one hand, the publicity generated in 1973 by the UK order to cut the price of Valium and Librium and, on the other hand, the meagre real effect these orders — and the subsequent noisy legal battle — had on the pricing policy of the manufacturers, Hoffmann-La Roche.

Collapse

More powerful than all the legal arguments mustered by lawyers proved to be the fact that a world-wide collapse of pharmaceutical prices — which could have been the real domino effect of this case — would have badly hit British exports of drugs and ultimately would adversely have affected the U.K.'s balance of payments. This may well be the reasoning behind the compromise formula reached with Roche and the subsequent approval of price rises as a result of which Continental importers, like the Dutch Centrafarm, no longer find it profitable to import Valium from Britain and to exert pressure on the high prices which Roche never ceased to charge for its products on the Continent.

Still on the subject of pharmaceutical prices, but this time in Germany, one can see that at

about the same time that British antitrusters celebrated their temporary victory over Roche, the Federal Cartel Office boasted about a major breakthrough on the price front by declaring that Merck, the leading producer of vitamin B-12, had abused its dominant position. The office ordered it to reduce its prices. After lawyers on both sides had enjoyed this case for several years, the Federal Supreme Court said in July 1976 that though in principle the Cartel Office can order cuts in prices achieved by an abuse of dominant position, it did not prove the existence of this situation in the case of Merck.

The German price cutting order for Valium and Librium has already been partly revised.

Despite considerable publicity, the legal battles waged by lobbyists against monopolies have had little real success

a European sugar cartel, now renamed the Sugar Directorate of the Commission.

The antitrusters' record is even less glorious on the merger front. The Continental Can case has established a new legal rule which theoretically expands the trust-busting powers of the EEC Commission but Continental Can has been allowed to swallow its European acquisitions.

Overruled

The Cartel Office's emphatic "no" to the VEBA/Gelsenberg, the German merger of the century, was overruled by Bonn because the concentration of the German power industry was seen as necessary in view of the changed situation in the international oil market. In the U.K., the recent Tate and Lyle bid for Manbré and Garton, though aiming at a total monopoly of cane refining and the control of almost 60 per cent. of the white sugar market in the U.K., has been allowed to pass without reference to the Monopolies Commission, mainly in order to save 2,000 jobs on Merseyside.

All this confirms that when it comes to the big concerns, antitrust issues are a game handled by politicians against a background of sometimes indiscreet but always faint legal music. This is a lesson which the U.S. antitrusters have learned all too well but which has been further pressed home by a series of recent setbacks. Three years after opening a big investigation of the oil industry, the U.S. antitrusters have nothing more than a court's approval to search for documents, investigation of Goodyear and Firestone resulted after six years in a finding that these companies do not operate a tyre monopoly. Some 500,000 pages were required to say so.

Investigation of an alleged conspiracy between Hertz and Avis car hire operations on airports yielded only a modest consent order; investigations of IBM, American Telephone and Telegraph, Kellogg, General Foods and several other companies which are household names world-wide have been fascinating antitrust lawyers new to the game.

These cases remain on the lists as actively pursued investigations after the lawyers working on them retire from public service, having discovered the defence of the giant companies only to be branded by the European Court as the operator of

When one of your tankers, loaded to the limit with hundred-octane, breaks down at 3am on a lonely road miles from the nearest phone box, you're glad you and your driver have the security of Pye right there in the cab.

A security of Pye is the mobile radiotelephone, the instant voice link between you and those who go about your business. Police forces, fire services, security firms, public utilities and business organisations all over Europe are more likely to rely on Pye than on any other two-way radio system.

Py business is coming to associate Pye radiotelephones not just with saving life and property, but also with saving money. On fuel, tyres, wear and tear, man hours and paperwork.

Py with Pye two-way pocket radios, Pye paging systems, and the Pye-made-and-installed Radiophone which links your car into the Post Office telephone system and networks world-wide.

Py two-way radio is becoming as essential to good business as your plain paper copier.

To read the many reasons why use the coupon.

WE WANT TO HELP YOU

Anyone with capital to invest today is faced with a host of problems — uncertain stock markets, inflation, the increasing complexity of tax legislation, and so on.

We are the UK subsidiary company of NV AMEV, a leading Dutch insurance and financial group, and understand these matters better than most people. Our investment advisers are Bankers Trust Company, one of the largest fund managers in the world.

If you have capital to invest, we would like to help you. Just tick the appropriate boxes below, fill in the coupon, and return this advertisement to us (no stamp necessary).

Are you interested in:

- * Capital growth consistent with reasonable security?
- * Professional and flexible investment management?
- * The ability to withdraw 5% each year free of tax for up to 20 years?
- * Inclusive life cover?
- * A means of taking advantage of the £2,000 annual exemption under Capital Transfer Tax legislation?

If you are interested in saving on a regular basis, please tick here.

AMEV Life Assurance Limited, FREEPOST, Regate RH20BE Telephone Regate 40101

Name _____

Address _____

Daytime Telephone _____

IDS TRAVELS CESSNA CITATION

Accompanied by passengers
Fast and reliable service
Superb quietness and comfort
Immediate connections with Concorde flights

TWO CITATIONS AT HEATHROW COMPETITIVE HIRE RATES

A complete businessman's service for Europe
Harten House, 44 London Road, Staines, Middx.
TELEX 8811073, TEL. STAINES (0784) 58151 52611

BUSINESS PROBLEMS BY OUR LEGAL STAFF

Possession of a field

I let a field to a farmer in which he grazes cattle on an 11 month basis from November 1 to September 30 each year. I want it back, but the farmer is making difficulties about it. Can I insist? Provided your 11 months' letting was for grazing purposes only you are entitled to recover possession of the field at the end of the 11 months term. Section 2(1) of the Agricultural Holdings Act 1948 expressly excludes from security of tenure tenancies and licences of less than a year let for grazing or mowing.

Liability for injury

I understand that it is still possible for companies manufacturing machinery legally to exempt themselves in contract from consequential injury although this would appear to be against the spirit of the Health and Safety Act and also against the Employer's Liability (Defective Equipment) Act which lays down that the employer's rights in contribution should not be affected.

The only statutory indication I can trace regarding limiting the right of the supplying company to limit his liability is in the Supply of Goods (Implied Terms) Act 1973 which lays down that exclusion clauses will be prima facie binding in a business sale, but the courts may not grant protection if they consider that the exclusion clause is unfair in any way. Could you tell me the legal position?

We agree that a manufacturer may exclude liability in contract for his negligent manufacture if the sale is a "business sale" within the meaning of the Sale of Goods (Implied Terms) Act 1973. Liability by tort may still remain however, where the person injured is not the contracting purchaser from the manufacturer. See for example Clerk and Lindsell on Tort 14th Ed. paragraph 882.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post or soon as possible.

Learn a language fast face-to-face with a national BERLITZ

SPECIAL CRASH

Learn English, French, German, Italian or Spanish in small groups. Half-time and full-time courses for business and personal needs. Also Private Tuition, 5 Portman Square, 79 Wells Street, London, W.1. 321 Oxford Street, 5 Portman Square, 79 Wells Street, London, W.1. Also at Croydon, ring 686 2862, Birmingham 643 4334, Leeds 35336 and Manchester 228 3607

01-486 1931

FREE IF IT'S FULL COLOUR LITERATURE

Discover the facts behind industry's £2000m investment

Make the county, just an hour from Heathrow, where the first oil was piped ashore. It has one of Britain's biggest ports. Europe's biggest steel complex. Instant availability of advance factories in many sizes. Within 30 minutes drive of one of Britain's most beautiful national parks. House prices significantly below national average. Send for the answers.

To the County Planning Officer, Cleveland County, Gurney House, Cleveland TS1 1QT. Telephone: (0642) 48155. Please send me the literature.

Name _____

Company _____

Address _____

Position _____

Telephone _____

cleveland

the new centre in the North East

hear there and everywhere

Pye Telecommunications
100, Newmarket Road,
Cambridge CB5 9PU
Telephone Cambridge
2231 61222

Name _____

Position _____

Company _____

Address _____

Please send details about
Pye two-way radio and
paging systems.

Telephone No. _____

Date _____

COMPANY NEWS + COMMENT

Ductile Steels 21% higher at £4.61m.

ON TURNOVER 18 per cent higher at £4.61m. against £3.73m. pre-tax profits of Ductile Steels increased by 21 per cent from £3.73m. for the 52 weeks to June 28, 1976, to £4.61m. for the 53 weeks to July 3, 1976.

At half-time, profit was £1.61m. against £1.63m. and the directors stated that they anticipated that the increase in demand since the end of the calendar year would continue, and they expected profits in the second half to exceed those in the first half.

Earnings per 25p share are up from 15.83p to 19.77p, and the final dividend of 2.745p net per share lifts the total from 3.941p to the maximum permitted 4.335p, as forecast.

Chairman, Mr. R. Sidaway states that during the year average group activity levels improved to about 85 per cent of normal and new projects are ready to take advantage of any further improvement. Cash position is satisfactory and provided that trade continues at a reasonable level he hopes that next year's results will show a further improvement.

HIGHLIGHTS

First half profits at Hawker Siddeley are nearly £14m. higher and the market taken by complete surprise, pushed the shares up 20p; the U.K. Aerospace activities along with Canada were fairly dull with the growth centred around the mechanical and electrical areas. Furness Withy has also turned in a worthwhile set of half-time results thanks to a good performance at OCL together with some loss elimination. UDS, however, proved something of a disappointment, with a first half profit more than £5m. lower reflecting a poor demand in men's tailoring. Aside from these companies, which are covered in Lex, Ductile Steel finished the year on a strong note thanks partly to steel price increase coupled with some higher volume while United Carriers' mid-term gain of 77 per cent suggests a larger slice of the national carriers market.

developments being a new semi-automated lat mill at The Dudley Port Rolling Mills, a new cold rolling mill at Ductile Cold Mill, a line to produce nylon coated steel tube at Monmore Tubes and a plant for the production of iron foil at Metalon Steels.

comment

A strong second-half performance has kept Ductile Steel's full-year profits moving ahead despite a 4 per cent pre-tax decline in the first six months. Following the recent round of steel price increases, stock profits must take most of the credit for this increase but the group has also seen some improvement in trading, particularly from the motor industry where demand from component manufacturers has been especially buoyant. Orders are apparently up in volume terms, on this time last year and the group is looking to improve on the 85 per cent activity levels achieved in the first quarter of 1976-77. At 85p the yield of 7.3 per cent is hardly generous, but it is well covered and backed up by a strong balance sheet (borrowings are no more than 27 per cent of net worth at present). Thus the p/e of 4.3 looks reasonable at the moment.

Time Products progress

FROM EXTERNAL sales of £2.94m. against £2.45m. pre-tax profit of Time Products expanded from £0.97m. to £1.09m. in the half-year to July 31, 1976.

The directors point out that the improvement in sales was subject to a certain pressure on profit margins. Indications are that there will be a continuation of the upward trend in profits and a further improvement in the results for the year, they add. For the year to January 31, 1977, sales are expected to be £3.5m. and profits £1.5m.

low to middle ranges of imported watches. Assuming that sales progress holds fairly steady, the group could make £24m. profit this year, which puts the shares at 33p on a prospective p/e of 34 and discounts any pressure on consumer spending.

Statement, Page 27

United Carriers upsurge

ON A TURNOVER up from £4.99m. to £8.83m., pre-tax profit of United Carriers advanced from £0.75m. to £1.33m. in the half year to July 31, 1976.

25 weeks Year
1976 1975 1974-75
Turnover £8,830,000 £4,990,000 £10,350,000
Profit £1,330,000 £750,000 £1,250,000
Taxation 610,000 360,000 520,000
Net profit 670,000 390,000 730,000
Dividends 70 60 20

And the directors state that profit for the year is expected to be considerably higher than the £1.67m. for the year to January 31, 1976.

Earnings per 10p share for the six months increased from 3p to 5.2p, and the interim dividend is raised from 0.56025p to 0.6163p. Last year's total was 1.8833p.

comment

United Carriers' 77 per cent interim profit rise follows last year's rise of 62 per cent. This momentum comes in a declining market that is often seen as a barometer of business activity, which, as we know, has not been too buoyant of late. The underlying reason for the momentum is UC's rising market share to 5 per cent of the national carrier market at a time when the Post Office has led the way in massive price hikes, leaving smaller operators to pick up business at lower rates. UC's rates last went up in February and then only 3 per cent. In an industry where fixed overheads dominate, the key to the jump in margins from 13.1 per cent to 10.3 per cent is better capacity utilisation—with tonnage up by some 12 per cent, reinforced by tight control of marginal costs. With spare capacity of a tenth still left, there is some growth to come, although the momentum could begin to fade until fleet and storage capacity is expanded. On the past 12 months, however, the p/e is a modest 3.8 at 34p and the maximum yield is 9.3 per cent.

1976 1975 1974-75
Net external sales £8,830,000 £4,990,000 £10,350,000
Trading profit 1,330,000 750,000 1,250,000
Share issue 610,000 360,000 520,000
Profit before tax 670,000 390,000 730,000
Taxation 210,000 120,000 170,000
Net profit 460,000 270,000 560,000

comment

Though Time Products' sales are up by nearly a third, the need to hold profits within reference levels has limited the pre-tax advance to only 12 per cent. However, holding back on prices has helped its market share, and the imported Russian Sekonda watches are now a leading brand in the U.K. For the second half of the year, the main worry must centre around the level of consumer spending, and the signs are not encouraging. Still, the whole-sale division has already taken orders on the bulk of its Christmas sales and judging by those, Time can see no real cause for concern. Even if consumers start trading down Time could stand to benefit from its emphasis on

LONDON INDEMNITY

London Indemnity and General Insurance Co. announces that as a result of the grant of High Court sanction the Scheme of Arrangements proposed is expected to become operative on Monday, October 25.



Sir Arnold Hall, chairman of Hawker Siddeley Group, who yesterday announced a substantial rise in first-half profits.

DIVIDENDS ANNOUNCED

| Company | Current payment | Date of payment | Corresponding dividend | Total last year |
|---------------------------|-----------------|-----------------|------------------------|-----------------|
| William Baird & Co. Ltd. | 2.5 | Jan. 11 | 2.6 | 7.36 |
| Ductile Steels | 2.74 | Dec. 8 | 2.48 | 8.34 |
| Edith | 2.8 | Dec. 8 | 2.55 | 8.59 |
| Furness Withy | 3.03 | Jan. 7 | 2.78 | 8.65 |
| T. C. Harrison | 1.2 | Dec. 31 | 1.1 | 3.33 |
| London & Lenoxx | 0.73 | Jan. 6 | 0.74 | 1.33 |
| Malayalam | 0.76 | Dec. 10 | 0.58 | 1.75 |
| Time Products | 0.76 | Dec. 8 | 0.58 | 1.46 |
| UDS Group | 0.38 | Jan. 21 | 0.35 | 1.37 |
| United Carriers | 0.62 | Feb. 21 | 0.51 | 4.8 |
| Wolverhampton Die Casting | 0.85 | Jan. 7 | 0.58 | 1.88 |
| | 0.85 | Dec. 16 | 0.58 | 0.7 |

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issue. (A) Not less than 1.85p is forecast.

William Baird tops £1.8m. after six months

WITH operating profits of £855,000, compared with losses of £185,000, coming from the 28.7 per cent interest in Dawson International, and a three-month contribution of £258,000 from the newly acquired Thomas Marshall Investments, pre-tax profits of William Baird and Company jumped from £288,000 to £1,848,000 for the first half of 1976. Profits for the first half of 1975 were £174,000.

The chairman, Mr. S. A. Field says the results are in line with expectations. The profit improvement came mainly from the acquisition of the increased contribution should be fully maintained in the second half, when group operating companies overall are expected to produce a material increase in profits.

In consequence, earnings per ordinary stock unit should show a useful advance, he tells members.

The interim dividend is held at 2.5p (10p unit) and the year's total was 7.335p paid from stated earnings of 9.7p.

1976 1975 1974-75
Operating profit £855,000 £185,000 £258,000
Interest 28,700 28,700 28,700
Dawson Int. 258,000 258,000 258,000
Darchem Group 248,000 248,000 248,000
Darchem Assets 200,000 200,000 200,000
Services 70,000 70,000 70,000
Investments 2,534,000 2,534,000 2,534,000
Administration 143,000 143,000 143,000
Interest 24,000 24,000 24,000
Profit before tax 1,848,000 1,848,000 1,848,000
Group tax 284,000 284,000 284,000
Assoc. tax 10,000 10,000 10,000
Net profit 1,554,000 1,554,000 1,554,000
Minority interest 1,000 1,000 1,000
Profit of Thomas Marshall Investments for three months

When the few remaining shares in Thomas Marshall Investments have been acquired the acquisition will have resulted in the outlay of some £2.5m. and the issue of some £2.5m. Ordinary stock.

The funding of £2.5m. of short-term debt for periods from three to five years has been completed.

The combined operations of William Baird Textiles and Thomas Marshall have an annual turnover in excess of £50m. The bulk of this is in garments sold in the U.K., some 80 per cent being manufactured here and 20 per cent imported.

During the second half of 1975 the U.K. market was disturbed by stockpiling. Conditions are now more settled and the improvement in demand noted in April and May has continued, reports the chairman.

The profitability of import is adversely affected by the depreciation of sterling, especially when the movement is sharp. Conversely this takes some of the pressure off prices in the home market. In the period ahead, however the key factor is likely to be the level of demand which must be affected in some degree by the duration and severity of the economic squeeze.

For Dawson International, the strong export-led recovery continues.

On the industrial side Darchem's activity and performance in the thermal insulation has continued at a satisfactory level with welcome advances in export sales.

In the longer term substantial growth in exports will be vital in view of minimal power station construction prospects in the U.K. In some other fields there has been an upward movement in orders. Many have, however, been for newer products requiring time to reach economic production, and this has adversely affected the half-year results of the units concerned. No material change in Darchem's profit is expected between 1976 as a whole and 1975.

In the year to March 31, 1976, Butterfield & Harvey produced record results and in August the chairman reported favourably on prospects for the current year.

As to services, Mr. Field says that first-half results reflected the contraction and re-organisation of

LOCAL LOANS AT 14½

The coupon rate on this week's issue of local authority yearling bonds is down from 14½ per cent last week to 14½ per cent. The all-time peak was in January 1974 when the rate reached 15½ per cent. The bonds are due on October 28, 1977 at par.

This week's issues are: Brentwood District Council (£1m.), City of Kingston upon Hull (£1m.), Walsall Metropolitan Borough Council (£1m.), London Borough of Brent (£1m.), Scarborough Borough Council (£1m.), Nuneaton Borough Council (£1m.), Shepway District Council (£1m.), Warrington Borough Council (£1m.), Braintree District Council (£1m.), London Borough of Richmond-upon-Thames (£1m.), London Borough of Lambeth (£1m.), Northamptonshire County Council (£1m.), City of Norwich (£1m.), South Oxfordshire District Council (£1m.), London Borough of Islington (£1m.), Borough of High Peak (£1m.), Cleveland County Council (£1m.), Cotswolds District Council (£1m.), Highland Region Council (£1m.), City of Sheffield (£1m.), Stafford Borough Council (£1m.), London Borough of Warrington (£1m.), Waverley District Council (£1m.), Woodspring District Council (£1m.).

RESULTS IN BRIEF

BRITISH EMPIRE SECURITIES AND GENERAL TRUST—Second interim dividend of 2.5p (10p unit) and 0.25p (10p unit) for year ended September 30, 1976. Tax £2.34m (£15,550). Earnings per share 8.5p (10p unit). Ultimate holding company is The National Investment Trust Company.

GLENDON INVESTMENT TRUST—Results year ended July 31, 1976, already known. Investment £15,550 (£15,550). Tax £2.34m (£15,550). Earnings per share 8.5p (10p unit). Ultimate holding company is The National Investment Trust Company.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY—Results year ended June 30, 1976, already known. Investment £15,550 (£15,550). Tax £2.34m (£15,550). Earnings per share 8.5p (10p unit). Ultimate holding company is The National Investment Trust Company.

MINDEN PRINT GROUP—Results year ended June 30, 1976, already known. Investment £15,550 (£15,550). Tax £2.34m (£15,550). Earnings per share 8.5p (10p unit). Ultimate holding company is The National Investment Trust Company.

UDS midway slur to £3.37m.

FIRST HALF (to July 31, 1976) and, more recently, to turnover of £4.8m. increased over £4.8m. and slightly higher than £4.8m. to meet the programme in 1976, while pre-tax profit fell being carried out in the sharply from £2.8m. to £3.37m.

Earnings per 25p share dipped from 2.7p to 2.1p. The interim dividend was reduced from 2.7p to 2.1p net. Last mid-term loan of 1 year's total was £4.8m. a profit negotiated with Barclay down from £2.8m. to £2.35m. From the exceptional men's multiple clothing, which experienced towards it in the half-year accounted for the previous year, a 6 per cent increase in demand from turnover was responsible for 60 per cent of the increase in profit in the half-year. The increase in profit was well reflected in the trading profit, the directors state. Levels met in recent years.

Action, including factory Mr. Wheeler.

The directors have seen hard performance for the current year but that these can only be a result of an improving performance, they add.

Earnings from exports and overseas trading are confidently expected to make a large contribution to profits.

Sales in the first ten weeks of the second half show an increase of 12½ per cent.

25 weeks Year
1976 1975 1974-75
Turnover £4,800,000 £4,800,000 £4,800,000
Profit £3,370,000 £2,800,000 £2,800,000
Interest 1,800,000 1,800,000 1,800,000
Taxation 1,800,000 1,800,000 1,800,000
Net profit 1,570,000 1,000,000 1,000,000
Dividends 1,570,000 1,000,000 1,000,000

comment

The reorganisation at Hampton Die Casting started back in 1971 paying dividends. The latest profits rise on a new basis, a large teeth taken in a large recovery, the profit is ahead of the 1974 per further improvement in this year. The group concentration on efficiency through automation apart from last year, a group held back in a difficult market, the directors have anticipated this level of exceptional tax profit advanced from £225,000 to £409,000.

Earnings per 10p share rose from 2.3p to 3.5p, and the dividend is lifted from 0.7p to 1.1p, maximum permitted 0.955p net with a final of 0.545p.

Mr. A. M. Wheeler, the chairman, states that the directors consider (43 per cent) is the high volume market, in view of the prevailing industrial and economic climate. They are with caution. The attributable in large measure to the radical reorganisation under of 3.1 and yield of 13. taken within the Group since the covered 31 times seen change in management in 1971 able valuation.

W'hampton Die Casting expansion

TURNOVER FOR the year to June 30, 1976 of Wolverhampton Die Casting Group, increased from £2.71m. to £2.71m., and pre-tax profit advanced from £225,000 to £409,000.

Earnings per 10p share rose from 2.3p to 3.5p, and the dividend is lifted from 0.7p to 1.1p, maximum permitted 0.955p net with a final of 0.545p.

Mr. A. M. Wheeler, the chairman, states that the directors consider (43 per cent) is the high volume market, in view of the prevailing industrial and economic climate. They are with caution. The attributable in large measure to the radical reorganisation under of 3.1 and yield of 13. taken within the Group since the covered 31 times seen change in management in 1971 able valuation.

comment

The reorganisation at Hampton Die Casting started back in 1971 paying dividends. The latest profits rise on a new basis, a large teeth taken in a large recovery, the profit is ahead of the 1974 per further improvement in this year. The group concentration on efficiency through automation apart from last year, a group held back in a difficult market, the directors have anticipated this level of exceptional tax profit advanced from £225,000 to £409,000.

Earnings per 10p share rose from 2.3p to 3.5p, and the dividend is lifted from 0.7p to 1.1p, maximum permitted 0.955p net with a final of 0.545p.

Mr. A. M. Wheeler, the chairman, states that the directors consider (43 per cent) is the high volume market, in view of the prevailing industrial and economic climate. They are with caution. The attributable in large measure to the radical reorganisation under of 3.1 and yield of 13. taken within the Group since the covered 31 times seen change in management in 1971 able valuation.

ISSUE NEWS

Willis Faber prefers an introduction

Insurance brokers Willis Faber and Dumas (Holdings) and its 51.2 per cent subsidiary Morgan Grenfell have advised yesterday that if Willis Faber is to go ahead with a Stock Market quotation it would be via an introduction rather than an offer for sale.

This decision reflects the highly volatile state of the market since the group first announced its intentions for a flotation last August.

Willis Faber does not need to raise any new money, and so if no new equity is to be issued an offer for sale would mean a forced sale by reluctant existing holders. Institutional shareholders already hold more than 40 per cent of Willis Faber's equity.

Since Morgan Grenfell believes in the current market it is difficult to find willing sellers an introduction presents a far more acceptable method of coming to the market.

In 1975, Willis Faber's premium from its U.K. broking firm can be expected to be £30m and the November.

There's one London bank that really understands Eastern Europe

you turn to the E... you want your needs speed. Morgan Guaranty all three in managi... to large internati... in the past year, Morgan has Euro ex... centres. They kee... travel. This means t... a step in the negotia... to set up a major Euro... show all the sources of... Euro team has... who value our... mentation and our... that skill is especially... purpose of the loan a... It also ensures... of funds. For n... financing we reach

The Moscow Narodny Bank has the experience the knowledge and the connections that are essential for East-West trade to flourish.

Moscow Narodny has been an integral part of the City of London since 1919 and today enjoys very close relationships with Central and Commercial Bank in the USSR and other East European countries.

The bank's unrivalled experience in the finance of East-West trade makes it the ideal choice for any company or organisation entering this highly important area of world commerce.

Moscow Narodny Bank

The bank for East-West trade

24/32 King William Street, London, EC4P 4JS
Branches in Beirut and Singapore
Representative Office in Moscow

TOTAL ASSETS EXCEED £1,200,000,000

مصرف موسكو

BROCKHOUSE are about ENGINEERING

The long and varied involvement in this sector of industry by the General Engineering Division of the Brockhouse Group is reflected in the diverse range of products and services which its seven companies offer. Hydraulic torque converters, transmissions, a wide range of garage recovery and workshop crane equipment, pressed race ball bearings, precision hobs and other cutting tools are among its finished products, while its services include sub-contract machining and cold press work.

The Division has an annual turnover of around £5.5 million of which 19% is derived from a healthy export market.

The General Engineering Division is one of seven which form the Brockhouse Group, the others being:

Castings and Forgings Division;
Handling and Process Plant Division;
Building Components Division;
Building Systems Division;
Steel Division;
and Overseas Division.

BROCKHOUSE GROUP

Brockhouse Limited

Victoria Works, Hill Top,
West Bromwich,
West Midlands, B70 0SN.

Telephone: 021-556 1241

IDS midw...
 £3.37m...
 hampton...
 Casting...
 Expansion...
 ISSUE NEWS...
 Willis Faber...
 introduction...
 There's...
 London...
 that re...
 underst...
 Eastern E...
 MNB...
 Moscow...
 in...

مكاتب العمل



Morgan officers specialising in Euro financings are based around the world. Shown at meeting in London are, from left, Mary Gibbons, John Mayer, Leighton Coleman, London office; Eric Guerin and Antoinette Daridan, Paris office.

For Euro-currency financing designed to meet your needs, consider Morgan Guaranty

When you turn to the Euro-currency market for financing, you want your needs met with discretion, innovation, and speed. Morgan Guaranty's Euro-finance specialists used all three in managing or co-managing \$5 billion in loans to large international corporations and governments in the past year.

Morgan has Euro experts in the major international money centres. They keep in close touch — by telephone and travel. This means they have a total market view at all times, and can give the borrower speedy decisions at each step in the negotiation of a complex deal.

To set up a major Euro-currency financing, a bank has to know all the sources of funds, and have access to them. Morgan's Euro team has high standing among important lenders, who value our thoroughness in preparing loan documentation and our skill in structuring a financing.

That skill is especially important to the borrower. It ensures that terms, maturity, and options are tailored to the purpose of the loan and to conditions in the marketplace. It also ensures imaginative choice among the sources of funds. For instance, as co-manager of one major financing we reached outside the Euro market to



find an alternative source for the short-term portion of the loan — the U.S. commercial paper market.

Where appropriate, we structure the loan to utilise the financing programs of export-import organisations like Eximbank (U.S.), ECGD (U.K.), or COFACE (France).

Euro-currency financing with Morgan-designed flexibility has a wide range of uses: short-term working capital loans to finance trade; medium-term revolving credits for countries with development or balance-of-payments needs, and for corporations; longer-term financing for projects which generate the funds for repayment.

If you're the financial officer of an international company, or of a government or government agency, talk with a bank that's a leader in the field. Contact our Euro specialists through any Morgan office, worldwide.

MORGAN GUARANTY TRUST COMPANY, 23 Wall Street, New York, N. Y. 10015; IN LONDON: 33 Lombard Street, E.C. 3; 31 Berkeley Square, W.1 • OTHER BANKING OFFICES: Paris, Brussels, Antwerp, Amsterdam (Bank Morgan Labouchere), Frankfurt, Düsseldorf, Munich, Zurich, Milan and Rome (Banca Morgan Vonwiller), Tokyo, Singapore, Nassau • REPRESENTATIVE OFFICES: Madrid, Beirut, Sydney, Hong Kong, Manila, São Paulo, Caracas • INTERNATIONAL BANKING SUBSIDIARIES: San Francisco, Houston • Incorporated with limited liability in the U.S.A.

Morgan Guaranty - the corporate bank

Hawker Siddeley well up after six months

The chairman says that the group exceeded expectations in the year (pre-tax profits were £372,400 against £248,335, reported September 18), and the directors continue their efforts to develop the business. These efforts, he says, will include improved trading and a "reased sale of certain sugar beet seed, will be reflected favourably in the current year's figures, he adds.

Hillshouses F&O Aktiebolag owns 23.4 per cent of the group.

Meeting. Institute of Directors, 10, Belgrave Square, November 10 at noon.

During the year occupation was taken of phase one of the new premises at Droitwich, but with the gradual transfer of work on

Provided the supply of vehicles is maintained "another record year is anticipated and the present intention is to pay the maximum permitted dividend. The

City has formally accepted an offer for part of our Australian portfolio worth approximately £29m., for payment of which we are subject to the usual legal formalities. We are making progress towards completion of the transaction.

ffer from a major Australian
o. The price is approximately
properties which stand in the
ormalities.

Investment Inst.
339m., which e
oks at £134m

power gearing

INTEREST S

OCKS

City has formally accepted an offer from a major Australian investment inst
part of our Australian portfolio. The price is approximately A\$39m., which e
approximately £20m., for properties which stand in the books at £134m
er is subject to the usual legal formalities.

we are making progress towards our stated objectives of lower gearing

INTEREST S

deployment of the cash which becomes available to it from these sources over the next few years. The aim will be to employ the funds in ways consistent with the range of experience collectively represented among the directors.

01-723 6592 for cars
01-965 6659 for trucks

became and remains the holder of 321,300 preferred Ordinary shares, representing 20.15 per cent. of the capital of that class and 8.29 per cent. of the combined preferred Ordinary and Ordinary capital.

01-723 6592 for cars
01-965 6659 for trucks

01-723 6592 for cars
01-965 6659 for trucks

هكذا من العمل

Further losses at Judge Intl.

Croda to await Midland Cattle document

Further losses at Judge Intl.

THE DIRECTORS of houseware manufacturers Judge International state that trading figures for the group for the 32 weeks ended June 26, 1976, reveal that, contrary to expectations, the group has made a further loss in the second half.

At the interim stage, reporting a turnover from a profit before tax of £410,000 to a loss of £284,000, the directors stated that the calendar year they had been able to increase prices, and also that there had been an improvement in order intake, with a resultant increase in profitability.

They added that demand in industrial moulding was still weak, but there were signs of a recovery. The group was trading profitably, they said, and they expected to show a profit for the second half. The directors now state that steps have been taken to reduce overheads and increase sales in order to raise trading activity to a satisfactory level.

A further announcement will be made towards the end of November, they add, when audited accounts for the last financial year will be published.

The directors do not anticipate being able to recommend payment of a final dividend (1.24p). Last year's total was 1.84p net per 25p share from profits of £519,350.

Partly Convertible Loan stock 1977 of which about £2.1m. is outstanding.

In order at the same time to increase production of houses to meet the demand for the new medium-term order and medium-term loan facilities, of which at March 1976 some £1.5m. was undrawn, have been negotiated.

Following an extraordinary meeting on February 23, 1976, a dividend was written down from £2.24m. to £0.46m, reflecting the reduction in the company's holdings in Ashworth and Steward (Holdings) and E. and L. Berg Homes by £2.3m. and £0.48m. respectively.

The company has given an undertaking to treat the first £2.70m. of profits arising from realisation or a revaluation of such holdings as not available for distribution.

The directors consider it "good housekeeping" to eliminate the remaining goodwill—at March 31, 1976 this had increased to £0.47m. following the acquisition of the Crawley Reynolds companies. They emphasise that this does not reflect the underlying value of the investments in the subsidiaries concerned.

As known, turnover for the year to March 31, 1976 increased from £7.78m. to £10.37m. and profit before tax was lower at £0.58m. compared with £0.83m.

Included in directors' remuneration is £30,000 compensation paid for loss of office.

Argyle Securities owns 78.48 per cent. of the Ordinary, Preference and Redeemable Shares, 11.11 a.m.

Croda to await Midland Cattle document

Croda International, which controls almost 19 per cent. of the Midland Cattle Products shares, appears now to be keeping its options open on the £3.9m. takeover announced by Thomas Borthwick.

Croda chairman Mr. Freddie Wood has indicated that the group would probably wait to see the formal offer documents before taking a decision on the bid. Mr. Wood said they would be looking for an indication on how trading has progressed since the end of the last Midland Cattle financial year.

In the meantime they were examining the Borthwick bid terms "very carefully."

MATHER & PLATT SEES PROFIT INCREASE

Wormold International, the Australian fire engineering company, has completed the financing arrangements for its £28m. bid for Mather and Platt and subject to consents being received from U.K. Exchange Control authorities, Reserve Bank of Australia, and the Australian Trade Practices Commission, the offer can now go ahead. Mather and Platt's shares rose 3p to 113p yesterday, against a bid price of 120p.

The formal documents accompanying the offer, Sir William Mather, chairman of Mather and Platt, forecasts pre-tax profits for 1976 of £8m. compared with £7.7m. last year. As known, the terms of the offer 120p in cash for each ordinary share and 50p for each preference share, are recommended by the board.

To reduce the costs of implementing the offer, Mather and Platt proposes to make a capitalisation issue of two shares for every one held which alters the terms of the offer to an equivalent 40p a share in cash.

Wormold shareholders have sanctioned a £1.1m. placing of shares. Australian United Corporation has completed the underwriting of £9.4m. rights issue. Morgan Grenfell, advisers to Wormold, have arranged a £12.1m. Eurocurrency facility and the balance of £1.45m. will be met from Wormold's own resources.

Bill Samuel has acted for Mather and Platt; acceptances are due by November 9.

SHARE STAKES

British Industries and General Investment Trust has been notified that London and Manchester Assurance Society has purchased a further £17,500 3 per cent. Cumulative Preference stock making a total holding of £78,500 (28.17 per cent.) of this stock.

London and Manchester has also purchased a further 35,000 Deferred shares making a total holding of 738,000 Deferred shares (17.65 per cent.) held by London and Manchester and its subsidiary, Welfare Insurance Company.

HERBERT MORRIS SAYS TO WAIT

As expected, Herbert Morris has issued a holding statement to shareholders following the official bid document from Babcock and Wilcox. Morris, which is opposing the Babcock offer of 120p per share cash offer, points out that the current offer is below the market price and according to the Board, is "far below the true value of the shares and in no way reflects the progress being made by your company." Shareholders are advised to take no action.

Morris shares closed at 130p, up 3p on the day, while Babcock ended in firm at 36p.

The next event is likely to be a detailed reply to the offer, giving precise reasons for the rejection.

CORAL/ROMFORD STADIUM

The offer by Coral Leisure Group for the shares of Romford Stadium has become unconditional.

Acceptances have been received in respect of 1,030,532 shares (85.3 per cent.) of which holders of 196,801 shares have elected to receive the share alternative. Coral shares to be issued under the share alternative will be dealt in on October 20, 1976.

ASSOCIATE DEALS

L. Messel and Co. yesterday sold 7,000 Mather and Platt shares at 110p on behalf of associates of Mather and Platt.

Mr. H. Laniado, a Lamos director, has bought 3,000 shares of Lamos Securities at 120p per share.

Recovery seen at Maidenhead Investments

First half results at Maidenhead Investments (Holdings) will be disappointing due to heavy start-up costs on new residential developments, Mr. M. Rivkin, chairman, tells holders.

However, for the full year the directors are looking for a recovery—the three main operating subsidiaries have successfully met the challenge of an increasingly competitive environment, he adds.

The programme of disposals of property is progressing satisfactorily particularly with regard to residential flats. The cash flow anticipated from future sales together with a reduction in the historic long-term land bank will enable the company to continue to reduce borrowings and in particular to repay the £4 per

Boost for ICI petrochemicals

OUTPUT and exports from Imperial Chemical Industries' petrochemicals division at Wilton, Texas, in 1976 are likely to be substantially higher than last year.

Dr. Rob Telfer, the chairman, said that, although there was some way to go before the peak levels of late 1975 were reached, the business climate has greatly improved. He added the output was running at 20 per cent. above last year's average level and exports would probably be 75 per cent. higher than in 1975.

Higher metal prices helping MIM

PAUL CHESSERIGHT

RECOVERY in earnings for the quarter of earnings is reported by MIM Holdings. Net in the 12 weeks to September were £11.7m. (£3.55m.) with £4.9m. in the third quarter.

There has been a tendency to boost South African mine production in recent months. This partly reflects the rising of the highest grade ores in response to the lower bullion price.

The estimated gold revenue in the third quarter, however, was £275.15m. (£299.9m.) compared with £300.7m. in the second quarter and £263.5m. in the third quarter of 1975. Total estimated revenue for the first three quarters of this year is £1,775.9m. (£1,235m.) against £1,908.5m. over the same period of 1975.

Amex in the third quarter

THIRD QUARTER net earnings of £37.6m. (£22.5m.) or £1.08 per share on the 34.8m. Common shares are announced by the U.S. Amex mining giant. This brings earnings for the past nine months to £118.1m. compared with £101.7m. at this time a year ago, or \$3.19 per share against \$3.45. There were 27.5m. shares outstanding in 1975.

Amex states that the past quarter's earnings from molybdenum and petroleum rose in line with increased shipments and prices when there was a 30 per cent. improvement in base-metal income. But the gains were partially offset by lower revenue from coal as a result of work stoppages and higher operating costs.

Amex also announced that it has declared an unchanged quarterly dividend of 43.75 cents (36.2p).

TRANS-NATAL RIGHTS OFFER

The promised rights issue of South Africa's Trans-Natal Coal Corporation turns out to be 8,400 shares of 50 cents each offered at 150 cents (104.3p) on the basis of 20 new shares for every 100 held at the close of business on October 22.

In the last annual report, the Trans-Natal said there would be an issue of 5m. shares in order to a revival. Production was increased the authorised capital

Further losses at Judge Intl.

THE DIRECTORS of houseware manufacturers Judge International state that trading figures for the group for the 32 weeks ended June 26, 1976, reveal that, contrary to expectations, the group has made a further loss in the second half.

At the interim stage, reporting a turnover from a profit before tax of £410,000 to a loss of £284,000, the directors stated that the calendar year they had been able to increase prices, and also that there had been an improvement in order intake, with a resultant increase in profitability.

They added that demand in industrial moulding was still weak, but there were signs of a recovery. The group was trading profitably, they said, and they expected to show a profit for the second half. The directors now state that steps have been taken to reduce overheads and increase sales in order to raise trading activity to a satisfactory level.

A further announcement will be made towards the end of November, they add, when audited accounts for the last financial year will be published.

The directors do not anticipate being able to recommend payment of a final dividend (1.24p). Last year's total was 1.84p net per 25p share from profits of £519,350.

Croda to await Midland Cattle document

Croda International, which controls almost 19 per cent. of the Midland Cattle Products shares, appears now to be keeping its options open on the £3.9m. takeover announced by Thomas Borthwick.

Croda chairman Mr. Freddie Wood has indicated that the group would probably wait to see the formal offer documents before taking a decision on the bid. Mr. Wood said they would be looking for an indication on how trading has progressed since the end of the last Midland Cattle financial year.

In the meantime they were examining the Borthwick bid terms "very carefully."

MATHER & PLATT SEES PROFIT INCREASE

Wormold International, the Australian fire engineering company, has completed the financing arrangements for its £28m. bid for Mather and Platt and subject to consents being received from U.K. Exchange Control authorities, Reserve Bank of Australia, and the Australian Trade Practices Commission, the offer can now go ahead. Mather and Platt's shares rose 3p to 113p yesterday, against a bid price of 120p.

The formal documents accompanying the offer, Sir William Mather, chairman of Mather and Platt, forecasts pre-tax profits for 1976 of £8m. compared with £7.7m. last year. As known, the terms of the offer 120p in cash for each ordinary share and 50p for each preference share, are recommended by the board.

To reduce the costs of implementing the offer, Mather and Platt proposes to make a capitalisation issue of two shares for every one held which alters the terms of the offer to an equivalent 40p a share in cash.

Wormold shareholders have sanctioned a £1.1m. placing of shares. Australian United Corporation has completed the underwriting of £9.4m. rights issue. Morgan Grenfell, advisers to Wormold, have arranged a £12.1m. Eurocurrency facility and the balance of £1.45m. will be met from Wormold's own resources.

Bill Samuel has acted for Mather and Platt; acceptances are due by November 9.

SHARE STAKES

British Industries and General Investment Trust has been notified that London and Manchester Assurance Society has purchased a further £17,500 3 per cent. Cumulative Preference stock making a total holding of £78,500 (28.17 per cent.) of this stock.

London and Manchester has also purchased a further 35,000 Deferred shares making a total holding of 738,000 Deferred shares (17.65 per cent.) held by London and Manchester and its subsidiary, Welfare Insurance Company.

HERBERT MORRIS SAYS TO WAIT

As expected, Herbert Morris has issued a holding statement to shareholders following the official bid document from Babcock and Wilcox. Morris, which is opposing the Babcock offer of 120p per share cash offer, points out that the current offer is below the market price and according to the Board, is "far below the true value of the shares and in no way reflects the progress being made by your company." Shareholders are advised to take no action.

Morris shares closed at 130p, up 3p on the day, while Babcock ended in firm at 36p.

The next event is likely to be a detailed reply to the offer, giving precise reasons for the rejection.

CORAL/ROMFORD STADIUM

The offer by Coral Leisure Group for the shares of Romford Stadium has become unconditional.

Acceptances have been received in respect of 1,030,532 shares (85.3 per cent.) of which holders of 196,801 shares have elected to receive the share alternative. Coral shares to be issued under the share alternative will be dealt in on October 20, 1976.

ASSOCIATE DEALS

L. Messel and Co. yesterday sold 7,000 Mather and Platt shares at 110p on behalf of associates of Mather and Platt.

Mr. H. Laniado, a Lamos director, has bought 3,000 shares of Lamos Securities at 120p per share.

Recovery seen at Maidenhead Investments

First half results at Maidenhead Investments (Holdings) will be disappointing due to heavy start-up costs on new residential developments, Mr. M. Rivkin, chairman, tells holders.

However, for the full year the directors are looking for a recovery—the three main operating subsidiaries have successfully met the challenge of an increasingly competitive environment, he adds.

The programme of disposals of property is progressing satisfactorily particularly with regard to residential flats. The cash flow anticipated from future sales together with a reduction in the historic long-term land bank will enable the company to continue to reduce borrowings and in particular to repay the £4 per

Boost for ICI petrochemicals

OUTPUT and exports from Imperial Chemical Industries' petrochemicals division at Wilton, Texas, in 1976 are likely to be substantially higher than last year.

Dr. Rob Telfer, the chairman, said that, although there was some way to go before the peak levels of late 1975 were reached, the business climate has greatly improved. He added the output was running at 20 per cent. above last year's average level and exports would probably be 75 per cent. higher than in 1975.

Higher metal prices helping MIM

PAUL CHESSERIGHT

RECOVERY in earnings for the quarter of earnings is reported by MIM Holdings. Net in the 12 weeks to September were £11.7m. (£3.55m.) with £4.9m. in the third quarter.

There has been a tendency to boost South African mine production in recent months. This partly reflects the rising of the highest grade ores in response to the lower bullion price.

The estimated gold revenue in the third quarter, however, was £275.15m. (£299.9m.) compared with £300.7m. in the second quarter and £263.5m. in the third quarter of 1975. Total estimated revenue for the first three quarters of this year is £1,775.9m. (£1,235m.) against £1,908.5m. over the same period of 1975.

Amex in the third quarter

THIRD QUARTER net earnings of £37.6m. (£22.5m.) or £1.08 per share on the 34.8m. Common shares are announced by the U.S. Amex mining giant. This brings earnings for the past nine months to £118.1m. compared with £101.7m. at this time a year ago, or \$3.19 per share against \$3.45. There were 27.5m. shares outstanding in 1975.

Amex states that the past quarter's earnings from molybdenum and petroleum rose in line with increased shipments and prices when there was a 30 per cent. improvement in base-metal income. But the gains were partially offset by lower revenue from coal as a result of work stoppages and higher operating costs.

Amex also announced that it has declared an unchanged quarterly dividend of 43.75 cents (36.2p).

TRANS-NATAL RIGHTS OFFER

The promised rights issue of South Africa's Trans-Natal Coal Corporation turns out to be 8,400 shares of 50 cents each offered at 150 cents (104.3p) on the basis of 20 new shares for every 100 held at the close of business on October 22.

In the last annual report, the Trans-Natal said there would be an issue of 5m. shares in order to a revival. Production was increased the authorised capital

Further losses at Judge Intl.

THE DIRECTORS of houseware manufacturers Judge International state that trading figures for the group for the 32 weeks ended June 26, 1976, reveal that, contrary to expectations, the group has made a further loss in the second half.

At the interim stage, reporting a turnover from a profit before tax of £410,000 to a loss of £284,000, the directors stated that the calendar year they had been able to increase prices, and also that there had been an improvement in order intake, with a resultant increase in profitability.

They added that demand in industrial moulding was still weak, but there were signs of a recovery. The group was trading profitably, they said, and they expected to show a profit for the second half. The directors now state that steps have been taken to reduce overheads and increase sales in order to raise trading activity to a satisfactory level.

A further announcement will be made towards the end of November, they add, when audited accounts for the last financial year will be published.

The directors do not anticipate being able to recommend payment of a final dividend (1.24p). Last year's total was 1.84p net per 25p share from profits of £519,350.

Croda to await Midland Cattle document

Croda International, which controls almost 19 per cent. of the Midland Cattle Products shares, appears now to be keeping its options open on the £3.9m. takeover announced by Thomas Borthwick.

Croda chairman Mr. Freddie Wood has indicated that the group would probably wait to see the formal offer documents before taking a decision on the bid. Mr. Wood said they would be looking for an indication on how trading has progressed since the end of the last Midland Cattle financial year.

In the meantime they were examining the Borthwick bid terms "very carefully."

MATHER & PLATT SEES PROFIT INCREASE

Wormold International, the Australian fire engineering company, has completed the financing arrangements for its £28m. bid for Mather and Platt and subject to consents being received from U.K. Exchange Control authorities, Reserve Bank of Australia, and the Australian Trade Practices Commission, the offer can now go ahead. Mather and Platt's shares rose 3p to 113p yesterday, against a bid price of 120p.

The formal documents accompanying the offer, Sir William Mather, chairman of Mather and Platt, forecasts pre-tax profits for 1976 of £8m. compared with £7.7m. last year. As known, the terms of the offer 120p in cash for each ordinary share and 50p for each preference share, are recommended by the board.

To reduce the costs of implementing the offer, Mather and Platt proposes to make a capitalisation issue of two shares for every one held which alters the terms of the offer to an equivalent 40p a share in cash.

Wormold shareholders have sanctioned a £1.1m. placing of shares. Australian United Corporation has completed the underwriting of £9.4m. rights issue. Morgan Grenfell, advisers to Wormold, have arranged a £12.1m. Eurocurrency facility and the balance of £1.45m. will be met from Wormold's own resources.

Bill Samuel has acted for Mather and Platt; acceptances are due by November 9.

SHARE STAKES

British Industries and General Investment Trust has been notified that London and Manchester Assurance Society has purchased a further £17,500 3 per cent. Cumulative Preference stock making a total holding of £78,500 (28.17 per cent.) of this stock.

London and Manchester has also purchased a further 35,000 Deferred shares making a total holding of 738,000 Deferred shares (17.65 per cent.) held by London and Manchester and its subsidiary, Welfare Insurance Company.

HERBERT MORRIS SAYS TO WAIT

As expected, Herbert Morris has issued a holding statement to shareholders following the official bid document from Babcock and Wilcox. Morris, which is opposing the Babcock offer of 120p per share cash offer, points out that the current offer is below the market price and according to the Board, is "far below the true value of the shares and in no way reflects the progress being made by your company." Shareholders are advised to take no action.

Morris shares closed at 130p, up 3p on the day, while Babcock ended in firm at 36p.

The next event is likely to be a detailed reply to the offer, giving precise reasons for the rejection.

CORAL/ROMFORD STADIUM

The offer by Coral Leisure Group for the shares of Romford Stadium has become unconditional.

Acceptances have been received in respect of 1,030,532 shares (85.3 per cent.) of which holders of 196,801 shares have elected to receive the share alternative. Coral shares to be issued under the share alternative will be dealt in on October 20, 1976.

ASSOCIATE DEALS

L. Messel and Co. yesterday sold 7,000 Mather and Platt shares at 110p on behalf of associates of Mather and Platt.

Mr. H. Laniado, a Lamos director, has bought 3,000 shares of Lamos Securities at 120p per share.

Recovery seen at Maidenhead Investments

First half results at Maidenhead Investments (Holdings) will be disappointing due to heavy start-up costs on new residential developments, Mr. M. Rivkin, chairman, tells holders.

However, for the full year the directors are looking for a recovery—the three main operating subsidiaries have successfully met the challenge of an increasingly competitive environment, he adds.

The programme of disposals of property is progressing satisfactorily particularly with regard to residential flats. The cash flow anticipated from future sales together with a reduction in the historic long-term land bank will enable the company to continue to reduce borrowings and in particular to repay the £4 per

Boost for ICI petrochemicals

OUTPUT and exports from Imperial Chemical Industries' petrochemicals division at Wilton, Texas, in 1976 are likely to be substantially higher than last year.

Dr. Rob Telfer, the chairman, said that, although there was some way to go before the peak levels of late 1975 were reached, the business climate has greatly improved. He added the output was running at 20 per cent. above last year's average level and exports would probably be 75 per cent. higher than in 1975.

Higher metal prices helping MIM

PAUL CHESSERIGHT

RECOVERY in earnings for the quarter of earnings is reported by MIM Holdings. Net in the 12 weeks to September were £11.7m. (£3.55m.) with £4.9m. in the third quarter.

There has been a tendency to boost South African mine production in recent months. This partly reflects the rising of the highest grade ores in response to the lower bullion price.

The estimated gold revenue in the third quarter, however, was £275.15m. (£299.9m.) compared with £300.7m. in the second quarter and £263.5m. in the third quarter of 1975. Total estimated revenue for the first three quarters of this year is £1,775.9m. (£1,235m.) against £1,908.5m. over the same period of 1975.

Amex in the third quarter

THIRD QUARTER net earnings of £37.6m. (£22.5m.) or £1.08 per share on the 34.8m. Common shares are announced by the U.S. Amex mining giant. This brings earnings for the past nine months to £118.1m. compared with £101.7m. at this time a year ago, or \$3.19 per share against \$3.45. There were 27.5m. shares outstanding in 1975.

Amex states that the past quarter's earnings from molybdenum and petroleum rose in line with increased shipments and prices when there was a 30 per cent. improvement in base-metal income. But the gains were partially offset by lower revenue from coal as a result of work stoppages and higher operating costs.

Amex also announced that it has declared an unchanged quarterly dividend of 43.75 cents (36.2p).

TRANS-NATAL RIGHTS OFFER

The promised rights issue of South Africa's Trans-Natal Coal Corporation turns out to be 8,400 shares of 50 cents each offered at 150 cents (104.3p) on the basis of 20 new shares for every 100 held at the close of business on October 22.

In the last annual report, the Trans-Natal said there would be an issue of 5m. shares in order to a revival. Production was increased the authorised capital

Further losses at Judge Intl.

THE DIRECTORS of houseware manufacturers Judge International state that trading figures for the group for the 32 weeks ended June 26, 1976, reveal that, contrary to expectations, the group has made a further loss in the second half.

At the interim stage, reporting a turnover from a profit before tax of £410,000 to a loss of £284,000, the directors stated that the calendar year they had been able to increase prices, and also that there had been an improvement in order intake, with a resultant increase in profitability.

They added that demand in industrial moulding was still weak, but there were signs of a recovery. The group was trading profitably, they said, and they expected to show a profit for the second half. The directors now state that steps have been taken to reduce overheads and increase sales in order to raise trading activity to a satisfactory level.

A further announcement will be made towards the end of November, they add, when audited accounts for the last financial year will be published.

The directors do not anticipate being able to recommend payment of a final dividend (1.24p). Last year's total was 1.84p net per 25p share from profits of £519,350.

Croda to await Midland Cattle document

Croda International, which controls almost 19 per cent. of the Midland Cattle Products shares, appears now to be keeping its options open on the £3.9m. takeover announced by Thomas Borthwick.

Croda chairman Mr. Freddie Wood has indicated that the group would probably wait to see the formal offer documents before taking a decision on the bid. Mr. Wood said they would be looking for an indication on how trading has progressed since the end of the last Midland Cattle financial year.

In the meantime they were examining the Borthwick bid terms "very carefully."

MATHER & PLATT SEES PROFIT INCREASE

Wormold International, the Australian fire engineering company, has completed the financing arrangements for its £28m. bid for Mather and Platt and subject to consents being received from U.K. Exchange Control authorities, Reserve Bank of Australia, and the Australian Trade Practices Commission, the offer can now go ahead. Mather and Platt's shares rose 3p to 113p yesterday, against a bid price of 120p.

The formal documents accompanying the offer, Sir William Mather, chairman of Mather and Platt, forecasts pre-tax profits for 1976 of £8m. compared with £7.7m. last year. As known, the terms of the offer 120p in cash for each ordinary share and 50p for each preference share, are recommended by the board.

To reduce the costs of implementing the offer, Mather and Platt proposes to make a capitalisation issue of two shares for every one held which alters the terms of the offer to an equivalent 40p a share in cash.

Wormold shareholders have sanctioned a £1.1m. placing of shares. Australian United Corporation has completed the underwriting of £9.4m. rights issue. Morgan Grenfell, advisers to Wormold, have arranged a £12.1m. Eurocurrency facility and the balance of £1.45m. will be met from Wormold's own resources.

Bill Samuel has acted for Mather and Platt; acceptances are due by November 9.

SHARE STAKES

British Industries and General Investment Trust has been notified that London and Manchester Assurance Society has purchased a further £17,500 3 per cent. Cumulative Preference stock making a total holding of £78,500 (28.17 per cent.) of this stock.

London and Manchester has also purchased a further 35,000 Deferred shares making a total holding of 738,000 Deferred shares (17.65 per cent.) held by London and Manchester and its subsidiary, Welfare Insurance Company.

HERBERT MORRIS SAYS TO WAIT

As expected, Herbert Morris has issued a holding statement to shareholders following the official bid document from Babcock and Wilcox. Morris, which is opposing the Babcock offer of 120p per share cash offer, points out that the current offer is below the market price and according to the Board, is "far below the true value of the shares and in no way reflects the progress being made by your company." Shareholders are advised to take no action.

Morris shares closed at 130p, up 3p on the day, while Babcock ended in firm at 36p.

The next event is likely to be a detailed reply to the offer, giving precise reasons for the rejection.

CORAL/ROMFORD STADIUM

The offer by Coral Leisure Group for the shares of Romford Stadium has become unconditional.

Acceptances have been received in respect of 1,030,532 shares (85.3 per cent.) of which holders of 196,801 shares have elected to receive the share alternative. Coral shares to be issued under the share alternative will be dealt in on October 20, 1976.

ASSOCIATE DEALS

L. Messel and Co. yesterday sold 7,000 Mather and Platt shares at 110p on behalf of associates of Mather and Platt.

Mr. H. Laniado, a Lamos director, has bought 3,000 shares of Lamos Securities at 120p per share.

Recovery seen at Maidenhead Investments

First half results at Maidenhead Investments (Holdings) will be disappointing due to heavy start-up costs on new residential developments, Mr. M. Rivkin, chairman, tells holders.

However, for the full year the directors are looking for a recovery—the three main operating subsidiaries have successfully met the challenge of an increasingly competitive environment, he adds.

The programme of disposals of property is progressing satisfactorily particularly with regard to residential flats. The cash flow anticipated from future sales together with a reduction in the historic long-term land bank will enable the company to continue to reduce borrowings and in particular to repay the £4 per

Boost for ICI petrochemicals

OUTPUT and exports from Imperial Chemical Industries' petrochemicals division at Wilton, Texas, in 1976 are likely to be substantially higher than last year.

Dr. Rob Telfer, the chairman, said that, although there was some way to go before the peak levels of late 1975 were reached, the business climate has greatly improved. He added the output was running at 20 per cent. above last year's average level and exports would probably be 75 per cent. higher than in 1975.

LEGAL NOTICES

No. 000210 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In
the Matter of WELLMAY TRANSPORT
LIMITED and in the Matter of The
Companies Act, 1968.

NOTICE IS HEREBY GIVEN, that a
Petition for the Winding-up of the above-
named Company by the High Court of
Justice was on the 24th day of September
1976, presented to the said Court by
MICHAEL JOHN LUFF formerly trading
as MJL INTERNATIONAL FORWARDING
of 20 Zetia Way, Abbey Road, Parkside in
the County of Essex, and that the said
Petition is directed to be heard before
the Court sitting at the Royal Courts
of Justice, Strand, London WC2A 2LL,
on the 1st day of November 1976, and
any creditor or contributory of the said
Company desiring to support or oppose
the making of an Order on the said
Petition may appear at the time of
hearing, in person or by his Counsel,
for that purpose; and a copy of the
Petition will be furnished by the
undersigned to any creditor or contributory
of the said Company requiring such copy
on payment of the regulated charge for the same.

MICHAEL CAULEY & COILEY,
of Freedom House, East Square,
Basilston, Essex.

LONDON AGENTS:
BULCRAIG & DAVEY,
6 Northampton Street,
Strand, London WC2N 5LW.
Solicitors for the Petitioner.

NOTE.—Any person who intends to
appear on the hearing of the said Petition
must serve on, or send by post to, the
above-named notice in writing of his
intention so to do. The notice must state
the name and address of the person, or,
if a firm, the name and address of the
firm, and must be signed by the person
or firm, or his or their solicitor (if any),
and must be served, or, if posted, must
be sent by post in sufficient time to
reach the above-named not later than
four o'clock in the afternoon of the
24th day of October 1976.

No. 000210 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In
the Matter of SEBEST LIMITED and
in the Matter of The Companies Act,
1968.

NOTICE IS HEREBY GIVEN, that a
Petition for the Winding-up of the above-
named Company by the High Court of
Justice was, on the 11th day of October
1976, presented to the said Court by
the COMMISSIONERS OF CUSTOMS AND
EXCISE of King's Beam House, 35-41,
Mark Lane, London EC2R 7TE, and
that the said Petition is directed to be
heard before the Court sitting at the
Royal Courts of Justice, Strand, London
WC2A 2LL, on the 15th day of November
1976, and any creditor or contributory
of the said Company desiring to support
or oppose the making of an Order on
the said Petition may appear at the time
of hearing, in person or by his Counsel,
for that purpose; and a copy of the
Petition will be furnished by the
undersigned to any creditor or contributory
of the said Company requiring such copy
on payment of the regulated charge for the same.

G. KRICKORIAN,
King's Beam House,
35-41, Mark Lane,
London EC2R 7TE.
Solicitor to the Petitioners.

NOTE.—Any person who intends to
appear on the hearing of the said Petition
must serve on, or send by post to, the
above-named notice in writing of his
intention so to do. The notice must state
the name and address of the person, or,
if a firm, the name and address of the
firm, and must be signed by the person
or firm, or his or their solicitor (if any),
and must be served, or, if posted, must
be sent by post in sufficient time to
reach the above-named not later than
four o'clock in the afternoon of the
12th day of November 1976.

No. 000210 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In
the Matter of SEBEST LIMITED and
in the Matter of The Companies Act,
1968.

NOTICE IS HEREBY GIVEN, that a
Petition for the Winding-up of the above-
named Company by the High Court of
Justice was, on the 11th day of October
1976, presented to the said Court by
the COMMISSIONERS OF CUSTOMS AND
EXCISE of King's Beam House, 35-41,
Mark Lane, London EC2R 7TE, and
that the said Petition is directed to be
heard before the Court sitting at the
Royal Courts of Justice, Strand, London
WC2A 2LL, on the 15th day of November
1976, and any creditor or contributory
of the said Company desiring to support
or oppose the making of an Order on
the said Petition may appear at the time
of hearing, in person or by his Counsel,
for that purpose; and a copy of the
Petition will be furnished by the
undersigned to any creditor or contributory
of the said Company requiring such copy
on payment of the regulated charge for the same.

G. KRICKORIAN,
King's Beam House,
35-41, Mark Lane,
London EC2R 7TE.
Solicitor to the Petitioners.

NOTE.—Any person who intends to
appear on the hearing of the said Petition
must serve on, or send by post to, the
above-named notice in writing of his
intention so to do. The notice must state
the name and address of the person, or,
if a firm, the name and address of the
firm, and must be signed by the person
or firm, or his or their solicitor (if any),
and must be served, or, if posted, must
be sent by post in sufficient time to
reach the above-named not later than
four o'clock in the afternoon of the
12th day of November 1976.

No. 000210 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In
the Matter of SEBEST LIMITED and
in the Matter of The Companies Act,
1968.

NOTICE IS HEREBY GIVEN, that a
Petition for the Winding-up of the above-
named Company by the High Court of
Justice was, on the 11th day of October
1976, presented to the said Court by
the COMMISSIONERS OF CUSTOMS AND
EXCISE of King's Beam House, 35-41,
Mark Lane, London EC2R 7TE, and
that the said Petition is directed to be
heard before the Court sitting at the
Royal Courts of Justice, Strand, London
WC2A 2LL, on the 15th day of November
1976, and any creditor or contributory
of the said Company desiring to support
or oppose the making of an Order on
the said Petition may appear at the time
of hearing, in person or by his Counsel,
for that purpose; and a copy of the
Petition will be furnished by the
undersigned to any creditor or contributory
of the said Company requiring such copy
on payment of the regulated charge for the same.

G. KRICKORIAN,
King's Beam House,
35-41, Mark Lane,
London EC2R 7TE.
Solicitor to the Petitioners.

NOTE.—Any person who intends to
appear on the hearing of the said Petition
must serve on, or send by post to, the
above-named notice in writing of his
intention so to do. The notice must state
the name and address of the person, or,
if a firm, the name and address of the
firm, and must be signed by the person
or firm, or his or their solicitor (if any),
and must be served, or, if posted, must
be sent by post in sufficient time to
reach the above-named not later than
four o'clock in the afternoon of the
12th day of November 1976.

APPOINTMENTS

Executive post
at John Laing

Mr. John A. Pymont has been
appointed director of overseas
marketing of JOHN LAING
INTERNATIONAL.

Dr. J. D. Ait has become
managing director of WESTLAND
ENGINEERS in place of Mr.
F. K. J. Hallett, who has retired
from that position but remains
on the Board. Mr. Hallett has also
retired as a director of Westland
Aircraft.

UDDEHOLM, the U.K. sub-
sidiary of the Swedish Group, has
made changes in the parent com-
pany's representation on the
Board. Mr. Rune Brandinger,
group administration director
joins as chairman, together with
Mr. Per Molin, director of the
steel plate division. Also joining
the Board as a non-executive
director is Mr. James P. Plamondon,
Lesfer Rabbone, a director, also
becomes company secretary, and
Mr. Roy Veal continues as
managing director.

Mr. Michael Bonallack has been
appointed to the Board of
BUCKLEY DUNN AND SONS. He
has been managing director of a
subsidiary, Miller Buckley Golf
Services, since its incorporation
in 1974.

Mr. Robert Redmond has been
appointed chief executive officer
of the NATIONAL FEDERATION
OF CLAY INDUSTRIES from
November 1.

Mr. Donald Thwaites has been
appointed technical director of
ALLAN THORNTON AND SONS,
a member of the Yorkshire Fine
Woolen Spinners Group.

Mr. Frank W. Davis has been
appointed managing director of
ROBERT JENKINS (HOLDINGS).
He joined the company in 1975
as managing director.

Mr. Leon Hill has relinquished
his joint managing directorship of
R. MAXWELL and remains deputy
chairman. Mr. Bernard Adams is
now sole managing director. Mr.
G. Bell has been appointed
financial controller.

Mr. Geoffrey Williams has
become chairman of the
NATIONAL FILM FINANCE
CORPORATION for three years
from November 1. He succeeds
Sir Robert Clark, who has resigned
from the chairmanship due to
his other commitments. Sir
Robert Clark has agreed to
continue as a member of the
Board for up to three months.

THE WELSH DEVELOPMENT
AGENCY has appointed Mr. John
Llewellyn as executive director
(Industry and Development). Mr.
Llewellyn is at present managing
director of Marlebeath Plastics.
Dr. John Norris, at present man-
aging director of Lightweight
Aggregates, has become the
agency's investment director.

Mr. J. F. Selater has joined the
Board of BAIN DAWES (RE-
INSURANCE BROKERS).

Following the purchase of
certain assets of JENSEN
MOTORS by Britcar Holdings,

CONTRACTS

£6.4m. NCB
orders

NATIONAL COAL BOARD con-
tracts worth £6.4m. have been
awarded as follows: Mild steel
sections from rolling mills: BSC
general steel division, Hartlepool,
Cleveland; Lillishall Steel, Telford,
Salop; G. Gadd and Co.,
Dudley; W. H. Jones, Bar-
nall and Son, Wednesbury, West
Midlands; Raine and Co., New-
castle upon Tyne; GKN (South
Wales), Cardiff. Welded mesh
tapping panels: BSC general
division, Hartlepool; BSC
divisions, welded fabric for
machinery guards and steel
fabric for concrete reinforcement:
BRC Engineering Company, Stan-
ford; C. K. Giddard, Wigan;
Beacon Manufacturing, Dudley.

FERRANTI has received an order
from Total Oil Great Britain,
worth more than £2m. for Auto-
control electronic petrol pumps and
kiosk units to equip a further 250
service stations. Last year, Total
placed an initial order covering
50 service stations.

POLYSIUS, Ascot, Berks., has been
awarded a contract worth £1.8m.
by the Rugby Portland Cement
Company for the design and
supply of a Lepol grate preheater
for its works at Rochester, Kent.
Said to be the largest of its type
in the U.K., and the second largest
in the world, it will have a
mechanical travelling length of 5.60
metres wide and 44 metres long.
With its associated rotary kiln,
the preheater will produce up to
2,400 tonnes of cement clinker
a day.

BALFOUR BEATTY CONSTRU-
CTION (SCOTLAND) has been
awarded a £1.5m. contract by the
British Steel Corporation for the
foundations of two direct re-
duction plants being built at
Hubberton (Ayrshire), each de-
signed to produce about 400,000
tonnes of iron pellets a year.

ARC EUROPA has been awarded
a Civil Service order for
electronic plant equipment,
said to be worth up to £1.5m. in
sales over the next three years.

KISMET-DYNAPLEX, Bedford,
has won an order from Esso
Petroleum for over £1m. worth of
passenger car roller brake
testing machines. The company
has also been awarded a contract
to visit all Esso garages through-
out the country to update and
modify, where necessary, vehicle
boists which may not conform to
the latest BS1 specification of
construction and maintenance.

S. W. FARMER AND SON, Lew-
isham, SE13, has won a contract
to supply 14 pipe racks amounting
to 500 tonnes of steelwork for the
rebuilding and expansion of the
Nyrso (U.K.) chemical plant at
Flixborough, Southport.

ICL has won an order worth £1m.
from Hozz Robinson Group for
a 2860 computer system.

Bank of Tokyo Holding
(Société Anonyme Luxembourg)U.S. \$35,000,000 Guaranteed
Floating Rate Notes due 1981

For the six months
October 20th, 1976 to April 20th, 1977

In accordance with the provisions of the Note, notice
hereby given that the rate of interest has been fixed at
6 1/2 per cent and that the interest payable on the
relevant interest payment date, April 20th, 1977,
against Coupon No. 1 will be U.S. \$34.13.

By: Morgan Guaranty Trust Company of New York, London
Agent Bank

CREDIT COMMERCIAL DE FRANCE P

INTRODUCTION OF THE SHARES OF CREDIT
COMMERCIAL DE FRANCE ON THE BRUSSELS
AND ANTWERP STOCK EXCHANGES

Credit Commercial de France announces that applica-
tion has been made for a listing of its shares on the Brus-
sels and Antwerp Stock Exchanges, with effect from October 2.
The introduction was sponsored by Kredietbank and
of C.C.F. within the Inter-Alpha Group of Banks.

McLEOD RUSSEL

"Results exceed forecast"

reports Sir John Brown, the Chairman.

* Pre-tax profits for the year to 31st March 1976 amounted to £2,401,000 against
forecast of £2,150,000 made in February. The profit attributable to ordinary share-
holders amounted to £767,000. A net dividend of 6.45p—the maximum permit-
ted—is recommended on the ordinary shares. The trading results of the new
subsidiaries, The Consolidated Tea and Lands Company and Cessnock Holdings, have
not been included in these profits, relating as they do wholly to the pre-acquisi-
tion period. A net dividend of 8.67p on the preferred ordinary shares issued to former
Consolidated stockholders is recommended.

* The implementation of the offers for The Consolidated Tea and Lands Com-
pany and Cessnock Holdings has led to a significant increase in the Group's over-
all size. The total acreage of tea under our control in India has risen from 22,841
acres to 43,119 and we now have a 50% interest in 24,520 acres of tea owned
by The Kanan Devan Hills Produce Company.

* Net assets attributable to the equity capital now amount to £11.2m (1975: £4.7m)
and net current assets have increased from £845,000 to £3,763,000.

* The 1975 tea season in North India did not produce such good crops and pro-
fits as 1974 but results were, on the whole, satisfactory. The output of tea on
Indian market has continued to rise and we expect this trend to continue. Re-
sults at Brenchley & Co. were disappointing following product development
delays and Morrell & Grave Packaging suffered a fairly severe fall in demand.

* Crops from the Group's Estates in North India to 31st August 1976 are ahead
of the previous year's output to the same date. Although it is always difficult at
this stage in the year to forecast results, it is reasonable to expect a satisfactory re-
sult to the year's operations.

* Reorganisation of subsidiaries operating in India is proceeding and should be
reflected in the current year's accounts. An offer has been made for the minor-
ity holdings in The Makum (Assam) Tea Company, Limited.

COMPARATIVE RESULTS

| | 1976 | 1975 |
|---|---------|------|
| Group turnover | 5,040's | 500 |
| Profit before taxation | 11,604 | 10,1 |
| Profit attributable to shareholders | 2,401 | 2,4 |
| Proposed ordinary dividend - 6.45p | 767 | 7 |
| Profit retained | 1,634 | 1,6 |
| Earnings per ordinary share | 625 | 6 |
| Assets per ordinary share at 31st March | 34,98p | 28,3 |
| | 279p | 21 |

Copies of the Report and Accounts are available from the Secretary,
McLeod Russel & Co., Limited, Victoria House, Mercer Lane, London WC2B 4DH.

CONTRACTS AND TENDERS

Democratic and Popular Republic of Algeria

MINISTRY FOR INDUSTRY
AND ENERGY
SOCIÉTÉ NATIONALE
DES INDUSTRIES CHIMIQUES
"PURCHASE DEPARTMENT"INTERNATIONAL INVITATION TO TENDER
Year: 1977

Société Nationale des Industries Chimiques (SNIC)
is launching a tender for the supply of raw materials
and intermediary products for its units of:

- Paint
- Detergent
- Cosmetics
- Glass and ceramic
- Explosives
- Commercialisation

Companies interested in the above may obtain the
tender documents from SNIC, Division des Achats,
Cinq Maisons, EL-BARRACH, Algiers, BP 27, Algeria.
Telex 82 840, Telephone 78.37.82 to 87—against
payment of Dinars 100.

Tenders should be sent in double sealed envelopes—
the inside envelope bearing the mention: "TENDER
No. MP/77/06—Not to be opened"—not later than
November 10, 1976, the postmark being taken as
evidence of the date of posting.

Tenderers remain bound by their quotation for a
period of six months.

Technical instructions and samples of the proposed
products must be submitted before the closure of the
tender.

ESTATES AND FARMS

WINDSOR FOREST STUD, ASCOT
Central London 36 miles, easy access to M3, M4,
and Heathrow AirportAN IMPORTANT STUD FARM
RIDING ESTABLISHMENT CLOSE TO
ROYAL ASCOT RACECOURSE

Stable yard with 49 boxes and 3 dwelling units. Cottage.
Extensive accommodation for stable lads. Further 120 boxes.
Five-furlong gallop.

IN ALL ABOUT 135 ACRES
LEASE FOR SALE PRIVATELY

Joint Agents:
BIDWELLS, Cambridge (Tel: 022 021 3391) and
KNIGHT FRANK & RUTLEY, London Office
(Tel: 01-629 8371) (67715/CF)

Knight Frank & Rutley
20 Hanover Square London W1R 0AH
Telephone 01-629 8171 Telex 265384

APPOINTMENTS

Chief Executive Officer

The Board of the Greater Nottingham
Co-operative Society Limited requires a
successor to Mr. L. A. Harrison who is due
to retire in March 1977.

The starting salary will be not less than
£18,000 p.a. Benefits include motor car,
pension and relocation help.

The Greater Nottingham Co-operative
Society is one of the leading Retail
Co-operative Societies in Britain. It has a
current annual sales volume of about £70m.,
an outstanding growth record and the plans
and resources to maintain this dynamic.
Outside the County of Nottingham its trading
territory stretches across S. Lincolnshire. It has
over 200 retail outlets including supermarkets
and department stores; extensive
dairy production and other diverse,
profitable businesses.

The Chief Executive Officer is
accountable to the Society's Board
for the management.

Bull
Holmes

administration and profitable expansion of the
enterprise and will be a major contributor to
modern retailing and development policies.

The new C.E.O. will be aged about 45
with a proven senior management record in
retailing including demonstrable
achievements in modern business building.
Financial acumen of a high order is mandatory.
Applicants (m or f) from the Co-operative
Movement must have several years'
experience in higher management covering a
broad mix of trading interests. Those from
outside will have held profit responsibility for a
sizeable group of modern retail food outlets,
preferably including some experience of
non-food merchandise.

Please write in strict confidence
with brief relevant career details to
H. C. Holmes, Bull, Holmes
(Management) Limited,
45 Albemarle Street,
London W1X 3FE.

60

60

60

60

60

60

60

60

60

60

60

60

60

60

60

60

Financial Times Wednesday October 20 1976. Main headline: Easier on slowed economy growth. Sub-headline: Sterling easier. Includes sections for Gold Market, Foreign Exchanges, and various stock indices.

Macaroni Parola

STRATHCLYDE
IF YOUR FUTURE LIES IN FOODSTUFFS
LOOK WHAT WE HAVE IN STORE

Strathclyde has an industrial structure of amazing diversity. The region is quite simply suited to almost any kind of industrial activity. Take one part of the food industry as an example. The manufacture of starch, cereal and associated food products has long been a significant activity in Strathclyde. The region's geography has been one factor in the success of the well-developed transport network, excellent ports. It's a natural base for commerce.

Much of the growth has come from indigenous companies, but the future beckons increasing business elsewhere. The benefits are already there. The top-rate financial incentives that come from a special development area. Excellent sites, even ready-built factories. Perhaps most of all there's availability of suitable labour.

Strathclyde Industrial Development, 21 Bothwell Street, Glasgow G2 6NJ.

Strathclyde Industrial Development

MANY a cynic crawling painfully from the still smouldering ashes of the Australian nickel exploration share boom of the later 1960s may have been heard to croak that: "A mine is a hole in the ground with a liar at the top." More fortunate observers of the sharemarket scene might have taken the old philosophical view that: "Many a mine has been ruined by sinking a shaft."

Irony

The irony of the rise and fall of Poseidon was that the Adelaide-based company was one of the very few that did not have a mine, and quite a good one at that. There was no Mar at the top, but there was a great deal of unbridled speculation in those blazing boom days that preferred a champagne diet of quick profits on the sharemarkets to one of sober assessments of potential earnings from a mining operation.

Nor did the sinking of a shaft ruin Poseidon's new nickel mine at Mount Windarra, some 180 miles to the north-north-east of Kalgoorlie in Western Australia. The mine is still producing nickel and will no doubt continue to do so for quite a few years yet.

But Poseidon as a company has reached the end of its short, but exciting career, following yesterday's news that as a result of financial problems its chairman Professor E. A. Rudd has asked for a receiver to be appointed. Trading was suspended in the shares on October 8.

They could have been purchased for just under £2 on September 29, 1969, when the Poseidon story opened with the news that nickel and copper sulphides had been encountered in percussion drilling at Windarra. Three days later they were trading at the equivalent of £1.50, and by the month of October was out they had risen to £1.6.

This, however, was only the beginning of one of the most dramatic price rises ever seen in sharemarket history. By the end of that year Poseidon had

soared to \$94, and two months later, in February, 1970, the price hit its peak of £124, valuing this small company at £306m. And this was in the days before the investment dollar premium applied to London prices of Australian shares.

It is doubtful whether anybody would have cared about the dollar premium if it had been in force. These were the rip-

target of 200,000 tons of nickel ore from the deposit which had been estimated to hold some 4m. tons grading a reasonable 2.4 per cent. nickel. All seemed well, even though the share price had come back to £71 as the exploration fever subsided.

Despite conflicting views of the company's investment prospects, Poseidon's magic remained such that some 200

bridging finance, but a deal emerged.

A link was forged with U.S. Union Oil-Hanna-Ro consortium which had nickel at the southern tip of the Windarra property, basically, Mr. Shierlaw to go it alone with Pos-

It has been argued, should have raised funds by share issues the preferred course of loan

Even so, having up ore reserves and later nickel sales contracts, might still have succeeded two events swung the fortune against the company. First was its earlier acquisition of the copper producing subsidiary and the gold mining Lake View and Star, which succumbed to low prices.

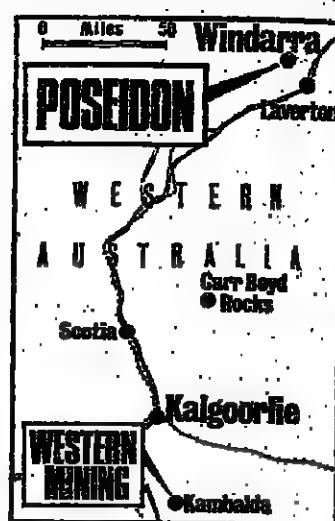
Adversity

The second stroke of was the fall in the buoyant market for nickel occurred before Windarra reached production in September 1974. By this time Windarra had acquired a half the Windarra mine (on Poseidon itself). Process Rudd had replaced Tom as chairman, Norman

remaining a director as The rest of the story mounting losses which reached \$415.77m. (£17 June 30) of a debt, which included some owed to the Australian Development Corporation. Latter has appointed Mr. Buckley of Melbourne accountants Cooper and

receiver and manager company at Poseidon's. The final chapter will in due course by Mr. It looks as though it will some sort of deal with Mining which may be to buy Poseidon's half Windarra property or, likely, to lease the mine to the receivers.

Sadly, there seems hope of any return on the Poseidon which were at 78p when they were in London.



Norman Shierlaw

London stockbrokers, journalists and mining observers gathered in the City at 8.30 on the morning of July 8, 1970, to hear a further progress report from Windarra. They were told that the property was developing on a scale that could possibly rival Western Mining's Kambalda mine, which was producing 30,000 tons of nickel from an annual ore treatment of 860,000 tons.

Finance

What they did not hear was how Poseidon was going to finance its potential mine. One answer seemed to be a deal with one of the international mining giants, and Canada's International Nickel and South Africa's Anglo American Corporation seemed to be among the likely candidates. The latter reached the stage of making available

actions 11 per cent. up in the third quarter at \$29.1m. (\$1.64 a share) compared with the \$26.1m. (\$1.50 a share) earned in the same period of 1976.

The company's earnings were down from the \$34.1m. reported in the second quarter. The Bank said the provision for loan losses in the third quarter totalled \$21m. compared with \$12m. a year ago and \$16m. in the second quarter.

Net loan charge-offs in the third quarter totalled \$24m. in the third quarter compared with \$9.4m. a year ago and \$16.6m. in the second quarter.

Bankamerica rise
NEW YORK, Oct. 19. THE WORLD'S largest bank, Bankamerica Corporation, has reported a 12.6 per cent. rise in third quarter earnings to \$93.1m. (67 cents a share), up from \$82.7m. (50 cents a share) in the same period of last year.

The bank said that the increase was due to the continued improvement in net interest earnings — the difference between total interest received and total interest paid — and to an increase in non-interest income.

Loan loss provision in the third quarter was \$32.5m. compared with \$32.7m. in the same period of 1976.

Caterpillar checked
ILLINOIS, Oct. 19. PROFIT of Caterpillar Tractor for the third quarter of 1976 was \$1.23 a share compared with \$1.42 for the similar period last year. Sales of \$1.51bn. were slightly higher than for the third quarter of 1975.

Profit was lower for three main reasons, the directors state. First, there was a small loss on foreign currency exchange compared with a gain of about \$10m. in the year earlier quarter. Second the adverse effect of the Tax Reform Act of 1976 that reduced profit for the quarter by \$5.1m. And finally the lower profit of the company's affiliate, Caterpillar Mitsubishi, due to the continued depressed Japanese economy.

Profit for the first nine months was \$3.54 a share compared with \$3.50 for the comparable nine months.

Sales of \$3.78bn. for the first nine months of 1976 were \$31.8m. higher than for the similar period.

Sales outside the United States were 57.1 per cent. of total sales for the nine months compared with 56.5 per cent. previously.

Demand continued strong in the oil exporting countries and increased in Europe, but in the U.S. was lower primarily due to reductions from construction and energy-related activities.

Merrill Lynch view
By John Wicks
ZURICH, Oct. 19. A MAJOR upturn is forecast for the stock market, possibly starting next year, by the leading U.S. securities and commodities firm, Merrill Lynch.

Speaking in Zurich today to the Swiss-American Chamber of Commerce, company chairman Donald T. Regan said he believed

Growth forecasts at Oce

By Michael Van Os

AMSTERDAM, Oct. 19. Océ-VAN DER GRINTEN, the Dutch manufacturer of reprographic equipment and fine chemicals, reports strong growth in the first nine months of this year and it forecasts that this year's net profits will be up "over 20 per cent." on 1976. That year profits rose 5 per cent. to £125.7m.

The Venlo-based company said in its financial statement that it has decided to raise the interim dividend by Fl.0.60 to Fl.3.40 per share of Fl.20. After reporting first-half net profits and sales rises of nearly 39 per cent. and 19 per cent. respectively, the company said that in the first nine months profits had increased 35 per cent. to Fl.22.2m. (Fl.15.44 per share) from Fl.16.4m. (Fl.11.39) in the same period last year. Sales had gone up 16 per cent. to Fl.544.7m. in the period.

Océ points out that when reviewing its performance so far this year, it should be borne in mind that sales and profits had been relatively weak in the first three quarters of 1976, whereas that year's final quarter could be described as "very good."

The statement showed that the company's operating profit in the first nine months had risen to Fl.48.8m. from Fl.41.9m. the same 1975 period. Pre-tax profits were Fl.40.9m. (Fl.30.5m.) and after tax profits Fl.22.2m. (nearly Fl.11.7m.). The cash flow rose strongly to Fl.53.8m. (Fl.39.3m.) or to Fl.37.39 (Fl.27.35) per share.

Océ, which last recorded sales worth Fl.662m., generated almost 90 per cent. of sales abroad that year and the company employs only around 2,700 of its total staff of at least 6,500 in Holland.

AMERICAN COMPANIES

Chase Manhattan setback

BY STEWART FLEMING

CHASE MANHATTAN Corporation, holding company for the third largest U.S. commercial bank reported disappointing third quarter earnings today.

Net income before securities transactions is \$22.1m. (69 cents a share), up from the \$19.1m. earned in the third quarter of 1975 but sharply down from the \$30.1m. (94 cents a share) earned in the second quarter.

Chase Manhattan has been one of the big commercial banks worst hit by problems loans to real estate investment trusts and direct real estate loans. Some bank analysts had been expecting that the Bank would report earnings over \$1 a share in the third quarter, continuing the improving trend established in the first half of the year.

As a result of management reorganisation Chase has been seen on Wall Street as a recovery stock in the banking sector.

For the first nine months of the year the Bank's earnings after securities transactions are \$79.4m. (\$2.48 a share) compared with \$154.8m. (\$4.83 a share) in the same period of 1975.

Commenting on the downturn between the second and third quarter the Bank said that this was primarily the result of a \$9.6m. increase in non-interest expenses and a \$4.6m. decrease in net interest margins.

The Bank's provision for possible loan losses in the third quarter was \$79.1m. down 17.5 per cent. from the third quarter of 1975.

Cont Illinois loss provision
By Our Own Correspondent
NEW YORK, Oct. 19. CONTINENTAL ILLINOIS, one of the top ten U.S. commercial banks today, reported net earnings before securities trans-

actions 11 per cent. up in the third quarter at \$29.1m. (\$1.64 a share) compared with the \$26.1m. (\$1.50 a share) earned in the same period of 1976.

The company's earnings were down from the \$34.1m. reported in the second quarter. The Bank said the provision for loan losses in the third quarter totalled \$21m. compared with \$12m. a year ago and \$16m. in the second quarter.

Net loan charge-offs in the third quarter totalled \$24m. in the third quarter compared with \$9.4m. a year ago and \$16.6m. in the second quarter.

Bankamerica rise
NEW YORK, Oct. 19. THE WORLD'S largest bank, Bankamerica Corporation, has reported a 12.6 per cent. rise in third quarter earnings to \$93.1m. (67 cents a share), up from \$82.7m. (50 cents a share) in the same period of last year.

The bank said that the increase was due to the continued improvement in net interest earnings — the difference between total interest received and total interest paid — and to an increase in non-interest income.

Loan loss provision in the third quarter was \$32.5m. compared with \$32.7m. in the same period of 1976.

Caterpillar checked
ILLINOIS, Oct. 19. PROFIT of Caterpillar Tractor for the third quarter of 1976 was \$1.23 a share compared with \$1.42 for the similar period last year. Sales of \$1.51bn. were slightly higher than for the third quarter of 1975.

Profit was lower for three main reasons, the directors state. First, there was a small loss on foreign currency exchange compared with a gain of about \$10m. in the year earlier quarter. Second the adverse effect of the Tax Reform Act of 1976 that reduced profit for the quarter by \$5.1m. And finally the lower profit of the company's affiliate, Caterpillar Mitsubishi, due to the continued depressed Japanese economy.

Profit for the first nine months was \$3.54 a share compared with \$3.50 for the comparable nine months.

Sales of \$3.78bn. for the first nine months of 1976 were \$31.8m. higher than for the similar period.

Sales outside the United States were 57.1 per cent. of total sales for the nine months compared with 56.5 per cent. previously.

Demand continued strong in the oil exporting countries and increased in Europe, but in the U.S. was lower primarily due to reductions from construction and energy-related activities.

Merrill Lynch view
By John Wicks
ZURICH, Oct. 19. A MAJOR upturn is forecast for the stock market, possibly starting next year, by the leading U.S. securities and commodities firm, Merrill Lynch.

Speaking in Zurich today to the Swiss-American Chamber of Commerce, company chairman Donald T. Regan said he believed

SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

| STRAIGHTS | Yield | Price | Yield | Price |
|------------------------|--------|---------|--------|---------|
| Alex 4 1/2% 1983 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| Australia 4 1/2% 1991 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| Bavaria 4 1/2% 1984 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| Canada Nat. 4 1/2% '81 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| CAN 4 1/2% 1983 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| Denmark 4 1/2% 1984 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| ECB 4 1/2% 1986 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| ETP 4 1/2% 1984 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 1983 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 1984 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 1985 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 1986 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 1987 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 1988 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 1989 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 1990 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 1991 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 1992 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 1993 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 1994 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 1995 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 1996 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 1997 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 1998 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 1999 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2000 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2001 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2002 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2003 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2004 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2005 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2006 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2007 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2008 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2009 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2010 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2011 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2012 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2013 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2014 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2015 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2016 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2017 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2018 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2019 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2020 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2021 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2022 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2023 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2024 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2025 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2026 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2027 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2028 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |
| FRG 4 1/2% 2029 | 10 1/4 | 104 1/4 | 10 1/4 | 104 1/4 |
| FRG 4 1/2% 2030 | 9 3/4 | 104 1/4 | 9 3/4 | 104 1/4 |

Source: White Wolf Securities.

... or how to get on in business. Certainly one of the surest ways to develop your business is to have an excellent address. That is why we are proud to announce the coming in January 1978 of the Centre d'Affaires Le Louvre. Place du Palais Royal, Paris.

The architecture of a famous nineteenth century building is being restored with great sensitivity. Its handsome facades, the arcades along the Rue de Rivoli and the internal courtyards will provide the elegant framework to an office interior which meets today's most exacting requirements and is

designed for big and small companies alike. The whole imposing complex of over 400,000 sq ft stands in the financial, administrative and cultural heart of Paris. The Palais du Louvre and the Ministry of Finance are opposite; the Bank of France is close by. Communications are excellent, access to the airports easy and the buildings management and services will be of the highest quality.

This unique combination of advantages will make the Centre d'Affaires Le Louvre, not just the best business address in Paris, but one of the best in the world.

For full information contact:
GIMSAPI Centre d'Affaires Le Louvre
BP: 254-01 - 75024 PARIS CEDEX 01
Tel: 263.20.30.

**CENTRE D'AFFAIRES
LE LOUVRE**
PLACE DU PALAIS ROYAL 75001 PARIS FRANCE

Political
a g

ENTERT

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

THEATRE

Political infant takes a giant step

For the first time Trinidad and Tobago has a truly left-wing Opposition. David Renwick reports.

It is the most significant of the new-Republican movement in Trinidad and Tobago, which has now followed the Sept. 3 general election, is the first of the first Opposition parliamentary history. The party itself is officially a left wing, working in the United Labour (ULF), a party formed months before the election to unite the leadership of the results, a large portion of the party's support came from the All-Trinidad Sugar and Factory Workers Union (ATSEFWTU), the Workers Trade Union, the Island-wide Cane Trade Union (ICFTU), Transport and Industries Union (TIU), and the United Labour (ULF). The party was led by Mr. Basdeo Pandey, Mr. George Weakes, Mr. Shah and Mr. Joseph, the heads of the unions, and the ULF deliberately achieved what had only been attempted in Tobago before: a leap across the racial divide to bring the working class of the country as a strong voting bloc.

Mr. Basdeo Pandey, leader of the ULF.

attempt was more than probably even. Pandey had dared hope: 10 out of the 36 in the House of Representatives, completely the party that had formed the Democratic Labour Party in 1962, had lost 25,000 (about 100,000) deposits through failing to one-eighth of the vote. In what were traditional strongholds of Dr. Eric Williams' People's National Party (PNM) in North Trinidad, it attracted as much as 10 per cent of the vote in such areas as St. James, the ballroom of a PNM representative, an Mohammed, and ran in 12 out of the 15 constituencies in which it didn't perform. It has to be said that the background of the

only of ULF's comparative newness as a political party but also the fact that there were seven other parties in the election all anxious to evict the PNM from office.

ULF's 26.9 per cent vote was greater than that of all the other opposition groups put together, who could muster a mere 18.5 per cent. Only one other opposition party actually won any seats and that was the Democratic Action Congress (DAC), formed six years ago by Dr. Williams' former deputy, Mr. A. N. R. Robinson, when he broke with the PNM at the time of the "black power" disturbances. DAC managed to make inroads into the PNM vote in Tobago and succeeded in obtaining both seats in that island. The ULF chose not to contest in Tobago. The success of Trinidad and Tobago's first labour-based Opposition is mainly due to the charisma and political acumen of Mr. Basdeo Pandey, the 43-year-old president-general of the sugar workers union, ATSEFWTU.

The third of seven children of a cane farmer, Mr. Pandey studied both economics and law in London, graduating from the London School of Economics and being called to the bar at Lincoln's Inn. He also tried his hand at acting, "in order to help me with my legal career," and had small parts in a number of television plays and three films, including "Nine hours to Rama" and "Man in the middle."

His flair for drama also clearly helped him in his political career, for though the ULF was nominally constituted as a collective, Mr. Pandey has been the de facto chief strategist and leader and most compelling platform speaker. His colleagues had no hesitation in nominating him to be the official leader of the Opposition bench when the Republican Parliament assembled.

The class lines in Parliament, and inevitably in the country as a whole, are now drawn for the coming five years. Mr. Pandey's unequivocal working class bias and left wing position on economic issues will be matched by the more moderate, middle class, nationalistic posture of Prime Minister Dr. Williams and the PNM.

The ULF's election slogan was "Let those who labour, hold the reins," and its programme called for the "commanding heights" of the economy to be brought under effective local control, for a national land policy to ensure that land reverted to the ownership of the people of Trinidad and Tobago, for the nationalisation of all multi-national corporations in oil, petrochemicals, construction, insurance and banking, for the nationalisation of the import-export sector, particularly in such commodities as food, drugs and building materials, for the establishment of state distribution centres for a wide variety of goods, an immediate freeze on the prices of all commodities, the introduction of workers' participation in the management of enterprises and similar measures.

The PNM, for its part, stressed the stability the party had brought to Trinidad and Tobago's potentially chaotic political scene in the 20 years it has been in power, its commitment to the fundamental rights and freedoms enshrined in the Republican Constitution (which replaced that of the Monarchy at the end of July this year), its belief in the freedom of the individual, its respect for the

right to private property, its support for local enterprise and the business ethic, its determination to make the receiver of income also an owner of capital through the planned distribution of shares in state-held factories and companies and so on.

There is little doubt that the middle class in Trinidad, if not in Tobago, responded to this appeal, unintentionally reinforced by the ULF itself during a motorcade through North Trinidad two days before the election, when Mr. Pandey's supporters threatened to "take over" the businesses and homes of PNM voters should ULF win.

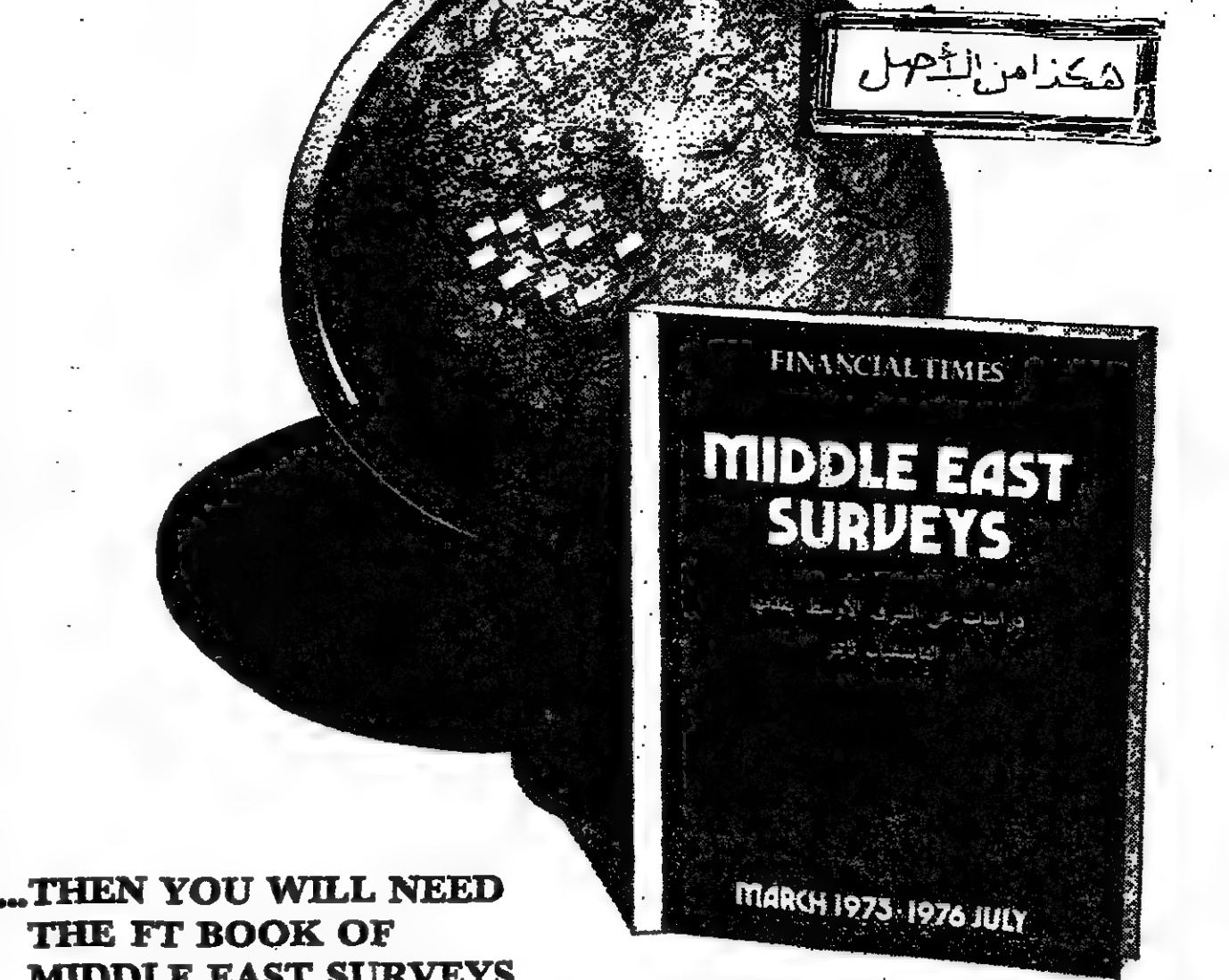
It is probable that Mr. Pandey underestimated the size, and resilience, of the middle class, which has been growing at a rapid rate on the basis of expanded Government activity and new business opportunities thrown up by the oil wealth. Ten years ago, for example, there were 18,311 salaried Government employees; to-day, there are 37,626—an increase of 105 per cent.

The proletarian elite in such industries as oil, petrochemicals, rubber and motor-car assembly who are property-owners in their own right, also saw a connection between their own interests and those of the conventional middle class.

The prime challenge facing Dr. Williams, as he prepares for his fifth term as head of government, is to safeguard the kind of society with which the PNM has identified itself while at the same time attempting to solve the problems of jobs, inflation and poor public services, which tend to hit Mr. Pandey's working class supporters hardest of all.

The new Government is banking heavily on the energy-based industrial revolution planned for Trinidad's west coast to keep the issue of unemployment off the boil, but that will take some time to materialise. The 65,900 people officially recorded as out of work in the country are a natural constituency for an Opposition seeking to confront the Government and establish its credentials as the champion of the underprivileged.

Are you looking to the Middle East for business?



...THEN YOU WILL NEED THE FT BOOK OF MIDDLE EAST SURVEYS

Here is a remarkable work of reference incorporating seventeen recent Financial Times surveys on the Middle East. Reprinted and bound in one volume they provide a wealth of data, detail and background information quite unobtainable in any other single publication.

The reports total more than 300,000 words. They are factual, objective, on the spot studies by FT journalists. And they are complemented by statistical tables and maps.

If your interests are in the Middle East you need a copy.

PRICE: £17/US \$30
(by surface mail)

THE SURVEYS, ORIGINALLY PUBLISHED IN THE FT MARCH 1973-JULY 1976, cover:
Syria, Tunisia, Sudan, Qatar, Turkey, Saudi Arabia, Bahrain, Middle East Shipping and Ports, Kuwait, Middle East Banking and Finance, World of Islam, Jordan, Trading with OPEC, United Arab Emirates, Iran, Egypt, East Construction.

166 pages, size 15 1/2" x 21 1/2".

ORDER FORM

FT BOOK OF MIDDLE EAST SURVEYS, MARCH 1973-JULY 1976

To the Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

Please send me _____ copy/copies
£17/US \$30 per copy,
by surface mail ☐ by airmail ☐
(please tick box).

If delivery by airmail is required please add £4/US\$7 for each copy ordered.

I enclose a remittance for £/US\$ _____
(made payable to the Financial Times Ltd.)

Name _____
Address _____

ENTERTAINMENT GUIDE

OPERA & BALLET

OLYMPIA NATIONAL OPERA: 01-522 3161. Tuesday 8.00, Wednesday 8.00 and 8.45. Thursday 8.00 and 8.45. Friday 8.00 and 8.45. Saturday 8.00 and 8.45. Sunday 8.00 and 8.45. Tickets: £1.50, £2.50, £3.50, £4.50, £5.50, £6.50, £7.50, £8.50, £9.50, £10.50, £11.50, £12.50, £13.50, £14.50, £15.50, £16.50, £17.50, £18.50, £19.50, £20.50, £21.50, £22.50, £23.50, £24.50, £25.50, £26.50, £27.50, £28.50, £29.50, £30.50, £31.50, £32.50, £33.50, £34.50, £35.50, £36.50, £37.50, £38.50, £39.50, £40.50, £41.50, £42.50, £43.50, £44.50, £45.50, £46.50, £47.50, £48.50, £49.50, £50.50, £51.50, £52.50, £53.50, £54.50, £55.50, £56.50, £57.50, £58.50, £59.50, £60.50, £61.50, £62.50, £63.50, £64.50, £65.50, £66.50, £67.50, £68.50, £69.50, £70.50, £71.50, £72.50, £73.50, £74.50, £75.50, £76.50, £77.50, £78.50, £79.50, £80.50, £81.50, £82.50, £83.50, £84.50, £85.50, £86.50, £87.50, £88.50, £89.50, £90.50, £91.50, £92.50, £93.50, £94.50, £95.50, £96.50, £97.50, £98.50, £99.50, £100.50.

THEATRES

DUKE OF YORKS: 01-535 5122. Tuesday 8.00, Wednesday 8.00 and 8.45. Thursday 8.00 and 8.45. Friday 8.00 and 8.45. Saturday 8.00 and 8.45. Sunday 8.00 and 8.45. Tickets: £1.50, £2.50, £3.50, £4.50, £5.50, £6.50, £7.50, £8.50, £9.50, £10.50, £11.50, £12.50, £13.50, £14.50, £15.50, £16.50, £17.50, £18.50, £19.50, £20.50, £21.50, £22.50, £23.50, £24.50, £25.50, £26.50, £27.50, £28.50, £29.50, £30.50, £31.50, £32.50, £33.50, £34.50, £35.50, £36.50, £37.50, £38.50, £39.50, £40.50, £41.50, £42.50, £43.50, £44.50, £45.50, £46.50, £47.50, £48.50, £49.50, £50.50, £51.50, £52.50, £53.50, £54.50, £55.50, £56.50, £57.50, £58.50, £59.50, £60.50, £61.50, £62.50, £63.50, £64.50, £65.50, £66.50, £67.50, £68.50, £69.50, £70.50, £71.50, £72.50, £73.50, £74.50, £75.50, £76.50, £77.50, £78.50, £79.50, £80.50, £81.50, £82.50, £83.50, £84.50, £85.50, £86.50, £87.50, £88.50, £89.50, £90.50, £91.50, £92.50, £93.50, £94.50, £95.50, £96.50, £97.50, £98.50, £99.50, £100.50.

CLUBS

GARDVILLE: 89 Dean Street, London, W.1. STRIPTEASE FLOORSHOW. Show at 10.00pm. Tickets: £1.50, £2.50, £3.50, £4.50, £5.50, £6.50, £7.50, £8.50, £9.50, £10.50, £11.50, £12.50, £13.50, £14.50, £15.50, £16.50, £17.50, £18.50, £19.50, £20.50, £21.50, £22.50, £23.50, £24.50, £25.50, £26.50, £27.50, £28.50, £29.50, £30.50, £31.50, £32.50, £33.50, £34.50, £35.50, £36.50, £37.50, £38.50, £39.50, £40.50, £41.50, £42.50, £43.50, £44.50, £45.50, £46.50, £47.50, £48.50, £49.50, £50.50, £51.50, £52.50, £53.50, £54.50, £55.50, £56.50, £57.50, £58.50, £59.50, £60.50, £61.50, £62.50, £63.50, £64.50, £65.50, £66.50, £67.50, £68.50, £69.50, £70.50, £71.50, £72.50, £73.50, £74.50, £75.50, £76.50, £77.50, £78.50, £79.50, £80.50, £81.50, £82.50, £83.50, £84.50, £85.50, £86.50, £87.50, £88.50, £89.50, £90.50, £91.50, £92.50, £93.50, £94.50, £95.50, £96.50, £97.50, £98.50, £99.50, £100.50.

Discover the distinctive taste of Glenfiddich pure malt.

Unlike blended whisky, Glenfiddich has a full-bodied smoothness all of its own. Its pure taste comes from the fact that it is 100% pure malt.

And from the fact that it's still made in the same traditional way by the fourth generation of the Grant family.

So when you discover the distinctive taste of Glenfiddich for yourself, you'll soon appreciate why it's the world's finest Scotch whisky.

Glenfiddich Pure Malt Scotch Whisky

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Further losses
as IRI debt rises

BY ANTHONY ROBINSON

ROME, OCTOBER 19.

AN INDICATION of the enormous organisational and operational problems of the giant State-controlled holding company IRI has emerged from the group's 1975 accounts which show a loss of 1,766bn. after drawing 1,237bn. from reserves, on turnover which rose 18 per cent, in monetary terms to 19,683bn.

IRI is Italy's largest single industrial, financial and service conglomerate and as such has been used by successive Governments over the years to carry out investments of a strategic or anti-cyclical nature, often however without guaranteeing an adequate financial coverage for the investments made in this way.

Indebtedness

This factor, aggravated to a certain extent by a tendency in recent years to use IRI and other State-controlled groups for narrower party political interests, is reflected in a massive growth in IRI's indebtedness in recent years which is a major factor in the group's deteriorating financial position.

Last year, for example, IRI's total financial requirements for investment, depreciation and working capital rose 37 per cent, to 13,328bn, while its overall self-financing capacity dropped by 12 per cent, partly because of massive losses in certain operating areas and partly due to the reluctance of the Government to allow IRI to raise prices and tariffs to keep pace with inflation.

The subsequent deterioration in IRI's overall financial structure can be seen in the fact that IRI's own capital, represented by the so-called capital endowment fund, now amounts to no more than 11 per cent, of total financial resources while 7.5 per cent, is accounted for by the shareholdings of third parties in mixed capital ventures and 81.5 per cent, is represented by long- and medium-term bonds and

Lossmakers

Two of IRI's principal problems are that the group has invested heavily in basic industries and other infrastructure, largely in Southern Italy, and secondly that it has a major stake in the communications linked industries hardest hit by the effects of the energy crisis and the higher price of oil. Over 66 per cent of the group's losses—some 1,320bn.—are attributable to the Bagnoli steel plant and Alfa-Sud car plant in Naples.

Moulinex ahead

MOULINEX net third quarter sales were Frs.275.7m. (Frs.232.1m.), including exports of Frs.154.8m. (Frs.128.1m.), bringing net sales in the first nine months to Frs.931m. (Frs.807.3m.) and exports to Frs.497.7m. (Frs.406.6m.). Reuter reports from Paris.

Osram to record DM40m. loss

BY NICHOLAS COLCHESTER

BONN, Oct. 19.

DESPITE a doubling of its operating profit to over DM14m., Osram, the leading West German producer of electric light bulbs, will record a balance sheet loss for the nine months to September 30 of around DM40m., the new chairman, Herr H. Plettner, announced today. This nine-month period is the shortened year required to bring Osram's accounting into line with that of the new majority shareholder Siemens.

The loss arises out of extra costs of DM40m. incurred in aligning Osram's accounting principles with those of Siemens—DM30m. of extra write-offs in Berlin and DM10m. of added pension reserves. Herr Plettner said, however, that the losses carried forward would hopefully be paid off by the end of the 1977-78 financial year. Only when this phase of consolidation was complete would Osram continue with plans for expansive investment.

In the meantime Osram is benefiting from cost-cutting measures already being applied and by 8 per cent, to DM740m. The workforce has been cut by 20 per cent, with a corresponding reduction in the need for debt finance. Altogether 1,000 people will have left Osram in the first nine months of this year in Germany alone—worldwide, the reduction has been 1,500.

Bullish talk about PUK

Financial Times Reporter

THE TRADING situation at Pechiney Ugine Kuhlmann, the French aluminium, chemical, copper and steel producer, has already taken a significant turn for the better, with sales for the first half of the year up by 15 per cent, to Frs.11bn. But Fielding Newson-Smith, a major London stockbroker, anticipates further and substantial progress over the next twelve months.

Sales for this year could total Frs.24bn., thinks Fielding, and the company's high gearing could bring a return to positive earnings. In total, Fielding looks this year for at least a partial restoration of the dividend—probably to Frs.10 against the Frs.7.5 paid in 1975 and deficit of Frs.5.3 a share.

Aluminium is PUK's most important sector and it is here that Fielding sees the greatest opportunities. The French group can claim several important advantages over its North American competitors.

But of paramount significance may be the current pricing situation in the aluminium industry. Prices have risen from under 40 U.S. cents to 48 cents a pound, and no less an authority than Kaiser Aluminum has stated categorically that a price of at least 55 cents is necessary

Astra forecasting a 16% sales rise for full year

BY JOHN WALKER

STOCKHOLM, Oct. 19.

ASTRA, the Swedish pharmaceutical concern, is forecasting a 16 per cent, increase in sales—in its eight-month report—to Kr.1.4bn. (£209m.) for the whole of 1976 and a nine per cent, increase in the pre-tax profit also amounting to 16 per cent, to Kr.106m. (£15m.).

For the first eight months of this year, group sales showed an increase of 16 per cent, to Kr.948m. compared with Kr.817m. in the same period in 1975. Of the 1976 figures pharmaceuticals accounted for Kr.888m., chemical-technical products Kr.177m. and the 'Varia' division Kr.51m.

Operating costs for the first eight months amounted to Kr.839m., compared with Kr.726m. in the same period last year.

The pre-tax profit for the first eight months is up by 17 per cent, to Kr.67m.

Pharmaceutical division sales in Sweden have developed at a slower rate than anticipated, increasing by only 4 per cent, while exports to North America went up by 14 per cent, and to Latin America by 10 per cent. Combined sales to Denmark, Norway and Finland rose by 34 per cent, the same as sales for the rest of Europe.

Parent company sales

amounted to Kr.481m. at the end of the first eight months and the pre-tax profit during the same period amounted to Kr.40m. Parent company liquidity is good, the report states, and liquid resources amounted to Kr.51m. at the end of the first eight months of this year.

Osram, the Swedish building materials group, reports a 5.5 per cent, increase in turnover of 5.5 per cent, to Kr.1.47bn. (£211m.) during the first eight months of this year. Operating costs in the first eight months of 1976 concern reports. The full effects of the production rationalisation with Kr.1.29bn. in the same period in 1975. The operat-

ing profit for the January-August period this year before depreciation went up by 15 per cent, from Kr.108m. to Kr.124m. Euro's delivery volume has decreased during the first eight months of this year, and this includes both building materials and factory products. Only sanitary and bathroom sales have offset this trend, but deliveries have increased the value of the first eight months of 1976 concern reports. The full effects of the production rationalisation with Kr.1.29bn. in the same period in 1975. The operat-

Brazil Fiat disclaims FNM bid negotiations

BY DAVID WHITE

RIO DE JANEIRO, Oct. 19.

FIAT DO BRASIL, the Brazilian holding company for the Italian motor group, has said it had no knowledge of negotiations to take control of Alfa Romeo's lorry-making subsidiary in Brazil, Fabrica Nacional de Motores (FNM).

Fiat bought a minority stake of about 42 per cent in FNM in

1973, leaving Alfa Romeo with the controlling 58 per cent, the remainder in local hands, including the State-owned development bank, Banco Nacional de Desenvolvimento Economico (BNDE).

According to a Press report here, Fiat is seeking to buy a further 18 per cent, thus increasing its stake in the most profitable end of the Brazilian motor industry. Meanwhile, Fiat's manufacturing subsidiary, Fiat Automoveis, has begun exports of car engines to Turin from its new 5680cm. factory in Minas Gerais.

The factory is due to start commercial production of the Fiat 147 car, a slightly more powerful and robust version of the Fiat 127, by the end of the year.

Output next year is scheduled at 100,000 cars, building up to a total capacity of 200,000 in 1981. The Minas Gerais State government holds a 45 per cent, shareholding in the 5240m. equity capital, due to be increased in stages to 540m.

Fiat's entry into the Brazilian car market—now almost exclusively restricted to locally-made vehicles, because of high import tariffs—was decided in 1973, the same year Fiat took an interest in FNM and before the oil crisis.

At that time, the industry was geared to expansion rates at the rate of 20 per cent, a year, a rate that was cut down to 2.7 per cent last year.

This has since improved. With production running at just under 1m. vehicles a year, output in the first nine months of this year was 4.8 per cent, up on the same 1975 period at 797,000 vehicles, while sales rose 6 per cent, to 729,000 according to the National Motor Manufacturers' Association.

When full production is achieved in 1981, Fiat aims to occupy 15 per cent, of the car market, half of which is now held by Volkswagen. FNM, which produced 8,500 lorries last year, holds about 10 per cent, of the heavy vehicle market.

Electricity Council loan oversubscribed

By Tony Hawkins

THE \$500m. 51-year Euroloan for the Electricity Council was very well supported and reportedly some 20 per cent, oversubscribed.

It is possible that the amount of the loan will now be increased, but bankers said last night that no decision had yet been made on this.

The loan carries a spread of 12 per cent, above LIBOR (London Interbank Offered Rate), with the Citigroup Group as lead managers.

A DM60m. Euroloan has been arranged for the Spanish company Empresa Nacional Del Petroleo (Enpetrol).

The management group for the five-year credit at a spread of 11 per cent, above LIBOR is Commerzbank, Amsterdam, Rotterdam Bank, Credit Lyonnais and Lloyds Bank International.

Talks on Zaire's external debt problems are to resume in New York on Thursday. This will be the third meeting between a Zairean delegation led by the Governor of the Bank of Zaire, Mr. Ngalu and representatives of the international banks involved in syndicated loans to Zaire estimated at some \$750m.

The two previous meetings were held in London with a Bank of England official, Mr. G. J. MacGillivray, acting as Moderator (Chairman) in his private capacity. Mr. MacGillivray will chair this week's discussions in New York and an official statement is expected afterwards on the progress of the talks.

Japanese MOF throws caution to the winds

BY DOUGLAS RAMSEY

TOKYO, O.

THE JAPANESE Ministry of Finance will issue an unprecedented ¥1.3bn. of government bonds on October 22, according to sources inside the Ministry, and all the deficit bonds mean that the m expected to absorb over at a go.

Bankers and economists are divided on the Tokyo to this question. Certainly there is no possibility that the Japanese authorities would refuse to accept allotment, even if the obliged to hold the bonds for two or even three years.

The Finance Bill has been pending since the start of the fiscal year, but got caught up in the parliamentary deadlock arising from the Lockheed investigation. Equal instalments of ¥700m. had been planned for September, October and November but delayed passage of the Bill torpedoed the September issue.

Now, the Finance Ministry has apparently decided to heap nearly all of the September shortfall on to the first bond issue in October, when the bond market is traditionally liquid enough to absorb larger quantities of government paper.

Not all of the ¥1.3bn. to be issued on October 22, however, will be labelled as deficit-covering bonds. The so-called "City" banks (Japan's thirteen largest commercial banks) and long-term credit banks will take an estimated ¥1bn. of the deficit-covering bonds, and the remaining ¥300m. will be soaked up by the government trust fund bureau (which handles the nation's post office savings deposits).

Of this ¥300m., ¥170m. will be in deficit-covering bonds, and ¥130m. in regular national bonds. Deficit-covering (or deficit-bridging, some say) bonds carry a 10 year maturity and an 8 per cent coupon rate. With them the government hopes to finance a public spending deficit which cannot be covered by regular national bonds (which must be labelled for specific project financing).

Now, with the Finance Bill finally passed into law, Japan's monetary policy and the climate on the money market in particular may be seriously undermined. In fact, October is usually a "liquid" month, and one indicator is that the "City" banks have only sold about one-third (or ¥100m. worth) of their expected bill sales on the secondary market so far, and new corporate issues (also at around ¥100m.) in all October will be less than half the amount expected. But to count on a market staying liquid while pushing out vast sums of government paper is wrong.

Indeed, apart from the issues authorised on Friday, the Ministry of Finance has already issued ¥38m. in regular national bonds in interest rates.

Window guidance

The Bank of Japan will have to give in too, lending what it hoped to limit at last quarter's thresholds in the October period. It is that "window guidance" which is in fact a ceiling on how much banks can lend commercial firms. It should be changed, it is argued, but some expect this could now happen in the coming months. To give the banks a little freedom in return for imposing of having to push out vast sums of government paper is wrong.

In short, the Bank of Japan will have to modify its Ministry of Finance has already issued ¥38m. in regular national bonds in interest rates.

CSR

CSR Limited.
A diversified and stable
Australian company

The profit of CSR Limited (formerly The Colonial Sugar Refining Company Limited) rose to US \$50.5 million for the year ended 31st March, 1976, despite the worldwide recession. With assets of US \$1,345 million and gross revenue of US \$1,747 million, CSR is the second largest Australian-owned listed company and is poised to take advantage of future economic recovery.

Minerals and Chemicals
By mid-1977, expansion of Buchanan Borehole Collieries (92.65% CSR), which mines soft coking coal for export will be completed. Capacity will be 2 million tonnes annually. Pilbara Iron Ltd. (68% CSR) is a 30% partner in the US \$917 million Mt. Newman iron ore venture, with an annual capacity of 40 million tonnes. Gove Alumina Ltd. (51% CSR) has the right to export 2 million tonnes of bauxite and 300,000 tonnes of alumina each year from the Gove joint venture.

Sugar
CSR sugar mills produce about 1 million tonnes of raw sugar each year. CSR refineries supply 96% of Australia's refined sugar products. CSR also arranges the sale and shipment of Australia's 2½ million tonnes of raw sugar exported annually. This represents about one-twelfth of the world sugar trade.

Building and Construction Materials
CSR and its associated companies produce a wide range of building and construction materials such as cement, concrete, roof tiles, aluminium window frames, wallboards, floor tiles, sand and gravel. This division contributed approximately 25% of the annual profit CSR has been in business since 1855. It is a strong and diversified company and a vital force in Australia's future.

CSR 100 Central Street
Sydney, Australia 2000
(Formerly The Colonial Sugar Refining Co. Limited)
Exchange rate: \$1.00 = 2.00 £

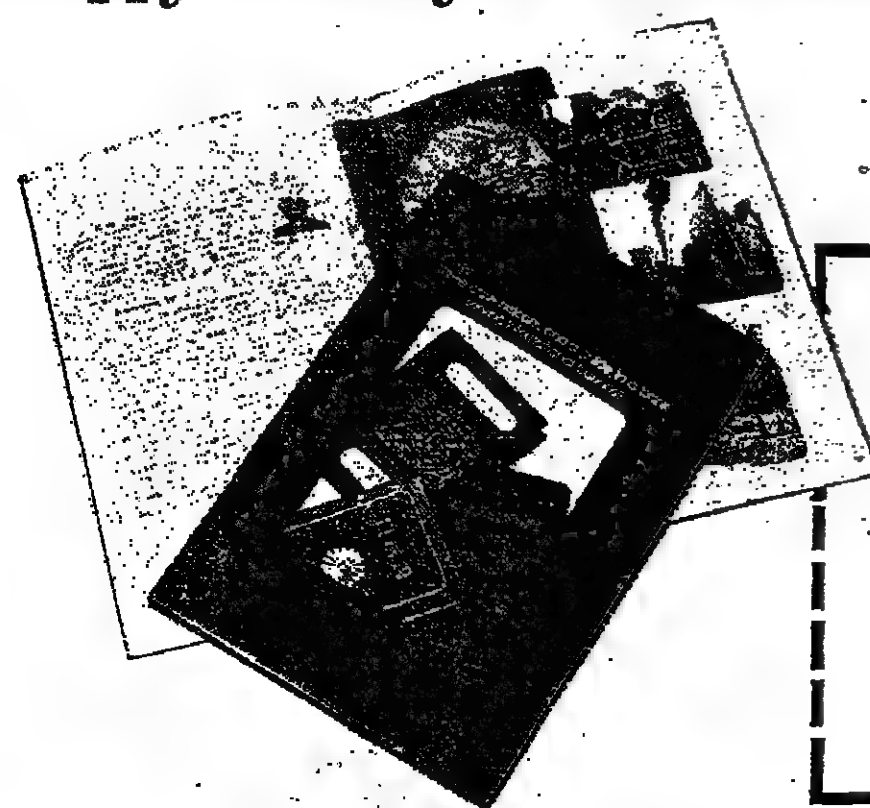
"When a company goes into Europe, the finance director has a tough job.

"He has to plan investment, brief himself on tax and legal matters, plan cash systems and a hundred other things.

"At AMRO Bank, we think we understand his problems.

"Which is why—as well as a complete merchant and commercial banking service—we can provide detailed and expert advice and help on everything from company structure to employment policy, and from mortgages to agents, suppliers and customers.

"If you're a finance director, our area-manager will be happy to send you details of the services we offer."



amro bank
amsterdam-rotterdam bank nv

Herengracht 595, PO Box 1220, Amsterdam, Holland.
Please send me details on the services AMRO Bank can offer me.

Name _____

Company _____

Position _____

Address _____

مكتبة الامم المتحدة

Japanese Mo
hrows cauti
o the winds

FINANCIAL TIMES SURVEY

Wednesday October 20th 1976

مكنا من العمل

European Property

European property values have been re-established after the shocks of 1974-75. In the stronger economies, profitable development is again possible with long-term funding available. But for British investors and developers, the fall in sterling has overshadowed all other considerations. For those with poor funding or unlet schemes, the losses have multiplied.



European Sign Language.

Behind these outward signs of the European commercial and industrial property marketplace, lie major complexities.

To acquire the most suitable property for your business, or the most suitable business for your property, quickly and efficiently, take professional advice.

Richard Ellis, 6/10 Bruton Street, London W1X 8DU.
Tel: 01-499 7151.

Richard Ellis, Trafalgar House, 75 Hope Street, Glasgow G2 6AJ, Scotland. Tel: 041-204 1931.

Richard Ellis S.A., Avenue des Arts 39, B-1040 Brussels, Belgium. Tel: 513 81 87.

Richard Ellis S.A., 17 Rue de la Baume, 75008 Paris, France. Tel: 225 27 80.

Richard Ellis B.V., Backershagen 97, Buitenveldert, Amsterdam, Holland. Tel: 020 440 779.

Richard Ellis G.m.b.H., 16th Floor, Rhein-Main Center, Bockenheimer Landstrasse 51/53, 6000 Frankfurt-am-Main, West Germany. Tel: 72 07 66.

Schwanthalerstrasse 9-11, 8000 Munich 2, West Germany. Tel: 59 41 42/3.

Richard Ellis S.A., Edificio Iberia Mart, Pedro Teixeira 8, Madrid 20, Spain. Tel: 455 35 00.

Johannesburg, Cape Town, Durban, Melbourne, Sydney, Perth, Adelaide, Brisbane, Toronto, Montreal, Vancouver, Singapore,

Richard Ellis

Chartered Surveyors

EUROPEAN PROPERTY II

Recent shocks leave their mark

THE FINAL demise last week of Town and Commercial Properties, once comfortably within the top ten of British property companies, was a further reminder of the difficulties of property investment abroad. The group had troubles enough at home, and was unable after many months to reach a moratorium agreement with the lenders on its U.K. assets. But in trying to secure its home base in the single European property market most affected by the aftermath of 1974, Town and Commercial also had to drag behind the Achilles heel of its foreign developments and investments, predominantly Continental ones. It was an ominously familiar scene: heavy foreign currency borrowings, with assets mismatched to liabilities, and with the main European development a very large and so far unlet Brussels office block.

Brussels is, however, a progressively isolated example of fundamental problems in the European property markets. Its gross oversupply of offices is, for instance, contrasted with an improving industrial property market within Belgium. The other Benelux centres—Amsterdam, Rotterdam and Antwerp—have also shown a more active letting market, and investment market, in commercial properties. In France, though the problems of the periphery locations around Paris remain, rents have firmed up and regional centres such as Marseilles, Lille and Lyon are seeing new development.

In Paris, as in several other European cities, institutions are complaining not about yields—though these are anyway comfortably greater than British pension funds and insurance companies buy at in the U.K.—but about shortage of prime investments. In West Germany, though property along with all other industries waited longer than expected for economic revival, this has now come and even in Frankfurt, where office oversupply is most apparent, demand is steady in the good locations.

So the Continental property markets continue a process, like Britain's, where values are re-established after a slump that with hindsight looks as inevitable as the boom before. As in Britain, there are several national economies where there is no guarantee against future shocks and a similar doubt over values returning. Nor are present conditions—combined

Unlucky

MEPC is unlucky enough to be saddled with perhaps the best-known disaster among British property investments in Europe—the Manhattan Centre in Brussels, a scheme introduced to them via a British agent and a British bank, N. M. Rothschild, with the management and service contracts on the building held by and the rents guaranteed by a single entrepreneur who went bankrupt. MEPC's holding in the offices in the scheme are almost certainly more valuable than the Rothschild Investment Trust (RIT) stake in the shops, but

with greater planning and fiscal interference—conducive to any marked increase in development activity (from the top of the Eiffel Tower last month you could see just four cranes on site). But in the main investment and letting demand has improved, the escalation of building costs slowed down.

For the British, the results are reasonably clear-cut. Well funded and well let, their schemes are showing surpluses due to currency gains which more than compensate for any shortfall in rent and sale projections made in the boom. Otherwise, the fall in sterling is producing ever greater losses which in some cases must put the future of companies at risk.

Funding—and the likely future currency and exchange control trends discussed elsewhere in this survey—are the key questions for the British developers and their banks. Town and City Properties has shown that even a determined programme of foreign disposals, including the largest single sale of the Europoint complex, does not solve the problem of a balance sheet in a declining currency. The borrowing limits, based on a ratio to net assets, had to be amended.

In a sounder company Metro-Parisian Estates and Property (MEPC), Sir Gerald Thorley took the chair with a determination to get back to old-fashioned genuine cash flows and dividends. But even with sterling at its spring levels, he had to say that any forecast of when the company would return to the dividend list was largely determined by currency levels, against which all the group's efforts to let or sell developments could produce only partial improvement.

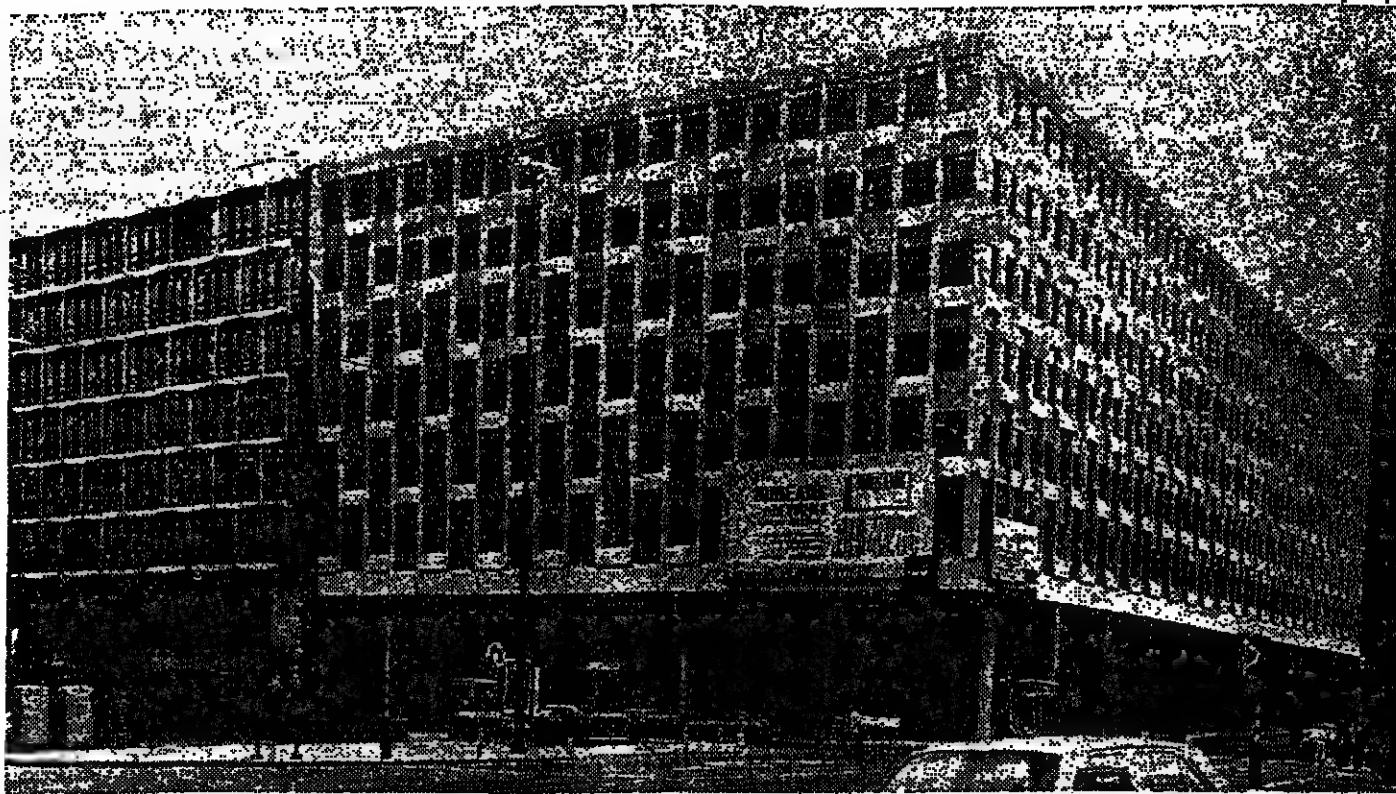
There are a host of smaller companies with severe problems in the city, and it cannot be said to be a place where British agents, developers or banks have generally distinguished themselves. Many of the agents who did what spadework was necessary in transferring locally owned sites to British developers have since retired. Apart from the financial losses, the British will also be blamed by many—although the real culprits are the Brussels planners—for allowing indiscriminate development.

While many of the new blocks are, on their own, examples of excellent modern architecture (Brussels probably contains a greater amount of efficient, elegant new office accommodation than any other European centre) the total impression is that the heart has been torn out of much of the city. As one appalled (British) developer said, having seen Brussels after a gap of two years: 'It's as if we tried to cram every development in London into somewhere the size of Leeds.'

If that embodies some poetic licence, then there is also a large measure of poetic justice in the fact that the most successful recent British development in Brussels has been done without the use of agents or spending any money on promotion. London & Leeds Investments (Belgium) SA, a subsidiary of the Ladbroke group in which the National Westminster Pension Fund and Mr. K. Kilstock, completed letting of half its more than 400,000 square foot Square de Meuse scheme in July.

Similarly, some standard practice would be valuable for the investment market in the treatment of net yields, where British and Continental practice tends to diverge. Common practices in valuation will be even harder to achieve on an international scale than they are proving to be on a national one, but at least some short-hand might be devised to indicate clearly on what basis figures are produced.

It is through meetings such as FIABCI's European study days, to be held in London tomorrow and on Friday, that such issues can be aired, and perhaps the panel discussions chaired by Mr. David York and the speech on the U.K. profession from Mr. Robert Steele, Secretary of the Royal Institution of Chartered Surveyors, will throw up ideas for, if not harmonisation, then better understanding of national practice.



Jones Lang Wootton are agents for this Commercial Union Properties development in Brussels. The Banque Bruxelles Lambert are already occupying two floors.

even so the write-off of half its more than £20m. invested in Manhattan may not be enough. In the past year it has managed to take over management of the complex and substantially cut outgoings, but the lettings are still not flowing.

RIT has extricated itself, at the cost of about £7m., by selling to local interests introduced by a Belgian bank which provided the trust's loan on Manhattan. In this, RIT was able to take advantage of the termination allowance in current foreign exchange regulations, repaying its mortgage at the official rate free of premium, a concession which has cushioned losses for several companies and the receivers to those which have failed.

The Manhattan Centre is not the only project in Brussels to hold back even the sounder groups. The sharp fall recently in the share price of Slough Estates, traditionally the most respected industrial developer in Britain, has much to do with its two Brussels office schemes. English Property Corporation, with several blocks completed and much of its space let, also has four large Brussels buildings coming to completion. Barclays Bank Trust, as partner of the private London and Overseas group, has the nearly 400,000 square feet of the Tour Astro on the market.

There are a host of smaller companies with severe problems in the city, and it cannot be said to be a place where British agents, developers or banks have generally distinguished themselves. Many of the agents who did what spadework was necessary in transferring locally owned sites to British developers have since retired. Apart from the financial losses, the British will also be blamed by many—although the real culprits are the Brussels planners—for allowing indiscriminate development.

While many of the new blocks are, on their own, examples of excellent modern architecture (Brussels probably contains a greater amount of efficient, elegant new office accommodation than any other European centre) the total impression is that the heart has been torn out of much of the city. As one appalled (British) developer said, having seen Brussels after a gap of two years: 'It's as if we tried to cram every development in London into somewhere the size of Leeds.'

If that embodies some poetic licence, then there is also a large measure of poetic justice in the fact that the most successful recent British development in Brussels has been done without the use of agents or spending any money on promotion. London & Leeds Investments (Belgium) SA, a subsidiary of the Ladbroke group in which the National Westminster Pension Fund and Mr. K. Kilstock, completed letting of half its more than 400,000 square foot Square de Meuse scheme in July.

Negotiations

The occupants are the Belgian Ministry of Justice and it is thought that negotiations are likely to be completed for the other half of this huge scheme to go to an equally impressive public sector covenant. In financial terms, the success of this scheme, with building just completed, rested on a contract which was indexed to 50 per cent of labour costs, but all material cost increases were borne by the contractor, and on 25-year local funding (backed by the NatWest guarantee) with repayment of capital not starting until 1978.

But while the activities of some British agents in Brussels have represented the property industry at its worst, the professional reputations of those who have stayed there and

in other parts of Europe has begun to climb. That chartered surveyors have something to offer to almost all the local markets is being established in the many branches of British firms whose business is increasingly indigenous. The larger practices like Weatherall, Green and Smith, Debenham Tewson and Chinnocks, Richard Ellis, Knight Frank and Rutley, and Jones, Lang, Wootton have this year received between them a string of impressive instructions for lettings, valuations and project analysis. That German insurance groups, French banks and Dutch investment trusts will trust these expatriate experts—though many of the partnerships of course, include nationals—is a significant tribute.

It is also an essential one, since foreign branches are in their early years expensive and the taxation regulations for the London partners, investing in these branches is highly unfavourable if losses have to be met. Having usually set up shop on the guarantee of work from British developers and investors, the agents have seen their base business eroded and have had to do the much more difficult thing of attracting local business.

In the process they have had to adapt to property practices quite different from those in Britain. But there too efforts are being made to standardise European practice, something which must be in the interests of the investing institutions, and in this movement the British might play a significant part. Without arguing about fee-charging (such as the five per cent French sale commission, which along with transfer taxes and stamp duties effectively pushes to 20 per cent the cost of a sale in France and thus inhibits transfers) there are clearly some useful avenues to be explored without risking anyone's established business.

Fundamental, such as the right to practice and the recognition of professional qualifications have to be worked out, if only because they must eventually be tackled by the EEC authorities. It might be helpful if it were more clearly understood in each country whether agents were acting as client servers or brokers. On measurement, British developers, investors and in many cases agents still think Imperial (as do journalists reporting them) where as we should already be following the architects, quantity surveyors, rating valuers, etc., who are converted to the metric scales. That, however, is a temporary British abnormality whereas there are more important differences in measurement practice which will be harder to standardise. An efficient property market really ought, by now, to have decided some common standards for assessing the gross and net areas of buildings. It will be no easy task, but it is a necessary one.

Similarly, some standard practice would be valuable for the investment market in the treatment of net yields, where British and Continental practice tends to diverge. Common practices in valuation will be even harder to achieve on an international scale than they are proving to be on a national one, but at least some short-hand might be devised to indicate clearly on what basis figures are produced.

It is through meetings such as FIABCI's European study days, to be held in London tomorrow and on Friday, that such issues can be aired, and perhaps the panel discussions chaired by Mr. David York and the speech on the U.K. profession from Mr. Robert Steele, Secretary of the Royal Institution of Chartered Surveyors, will throw up ideas for, if not harmonisation, then better understanding of national practice.

Moreover, back-to-back loans for dollar investments are likely to be more favourable to British funds, which anyway are showing more interest in the U.S. property scene at the moment than in increasing their European commitments. The Dutch funds have followed a similar course, though also investing quite heavily in France. But the British funds will continue to study the European market and will certainly wish to reinvest their profits there. Equally, their interest could be quickly rekindled if gross funds gained tax exemption (they have recently had a fright over the tax question because of a new double taxation agreement between Britain and Ireland, but the new penalties this implied for them appear to have resulted from an error in drafting).

Nor are agents entirely without work from British private sector developers, since in Europe as well as at home the large contracting groups with property arms have maintained some activity. Most prominent this year has been Wimpey, through its 50 per cent subsidiary Ariel Developments, which produced probably the biggest letting to a private sector tenant by a British company. Through Gonch and Wagstaff, Ariel found the Zalmhaven scheme in Rotterdam and have let the entire building, before completion, to Holland's biggest shipping and transport group, NSU.

Though interest rates in Holland have jumped sharply, it nevertheless still looks the most attractive market to many British developers, with long-term finance available to guarantees as good as Wimpey's and with investment yields for institutional buyers lower than elsewhere (under 7 per cent, for prime offices where Paris would be \$1 to 9 per cent).

on its site at Avenida de

Probably the most une example of the currency facing British companies: the Brussels squeeze—with three in a company which has completed properties on the once, and then briefly, Avenue Louise substantially let held anything but and its risk on its only current properties. Land Se development—there, in the raised a five-year fixed Avenue des Arts, limited by \$80m. loan in 1974, when partnership with Barclays Bank hard to find such fun International which will be less home and when British ing a third of the space. were being postprital

Together with slow but steady couraged to make such lettings on its Sonnestrasse. That was when the Munich project, Heron has also worth \$2.30, giving managed to sell its French de group the equivalent of developments where it either had March 1976, £73m. net a low equity share or did not be transferred from res see long-term growth. In a total cover the loan's increase of more than £20m. of Paris ing value. The value in sales, Heron has disposed of its gone further ahead, y than 30 per cent, at Miromesnil, Rue Cambon and original worth, but h the large Perisud complex on Securities' case this v the Peripherique in which it meaningless, as it had n assets to show eq currency gains. It simpl a third greater effective rate and a third greater ment value.

No single British deve Europe has quite such case of mismatching books, but then none balance sheet strength Securities. While the effects of revaluation are absoor fundamentals remain th As sterling has slipped, assets financed by the viding those assets are, strictly property sense, full-increase. But if a loans exceed overseas as if overseas interest exee seas rental income, then in the deficit financie wider.

Those with a positiv flow in Germany now s becoming more valuable in terms, and the unc Lourho took control earlier this assets growing. At the end of the scale are the Nord, at Roussay, near the Charles de Gaulle Airport, was financed in any of the cur singled out as a major difficulty which Lourho might be able to help. The annual loss on this one building, is running at around \$800,000 a year in interest charges.

Complex The cleft stick in which Town and City Properties found itself earlier in the year is slightly more complex. While the group's major problems are at home, and its European sales programme has been reasonably successful—the £23m. from the Europoint sale was against a £22m. book value—much of the proceeds have had to go to leases and break-clause finance unfunded developments mon on the Continent and service the revenue deficit, reminders of the lower While the remainder was meant security offered t applied to reducing borrowings from abroad, the dem or to make deposits against great deal healthier than these, the depreciation of ster ling since March 1975, meani that by July this year there was an increase of £27m. in foreign currency borrowings expressed in sterling terms. Most of this foreign currency borrowing is matched by foreign assets. So the adverse effect of depreciation on net assets is much less than the effect on borrowings, but nevertheless currency move ments were a major reason for its building on Paseo de la Castellana and has started work

Successful lettings or sales in the past year have included Chesterfield Reason's in France, Samuel Properties in Germany and the Heron Group, with arguably the best portfolio of any British developer in Europe—and rare in including Swiss property. This was a market which, in common with one or two German cities, it was thought impossible for foreigners to penetrate. Heron managed to arrange a 50-50 joint venture with a private Swiss consortium and in Geneva the Elysee Molard development achieved one of the highest office rents there, equating to around £10 a square foot at the time. In Madrid Heron let the whole of its building on Paseo de la Castellana and has started work

Quantin Guiré Property Corres

Monetary upheavals

THE EUROPEAN currency upsurge capital value over debt on the whole scheme.

Unfortunately, events only turned out in this way for some companies—and many were, and are, stuck with difficulties caused by higher interest rates on the Continent, and, paradoxically, by the fall in sterling.

The fall in sterling—30 per cent in the last two years—has in general only benefited those developers with schemes which are completed and fully let and financed on a long-term basis. In other cases, projects were started during the boom period but either completed or, let or to give returns well below the higher than anticipated finance costs. Consequently a deficit has had to be financed. And foreign banks have been much less willing to agree to the rolling-up of finance charges and this has left a gap which has had to be financed in sterling.

In other cases, sharply rising costs and falling property values have left a large gap between the size of a short-term loan and the underlying value of the asset on which it is secured. Indeed with many companies covering losses or capital d borrowing a large percentage of an usin, short-term

loans which has require ving-up in sterling. This has merely covere cases where the currency lens have been bilatera sterling has been requir Indeed with many companies cover losses or capital d borrowing a large percentage of an usin, short-term

CONTINUED ON NEXT PAGE

BRITISH & EUROPEAN PROPERTY

FULLER PEISER offer a complete property service to industry and commerce throughout the United Kingdom and Western Europe

FULLER PEISER 3-4 Holborn Circus London EC1N 2JH Tel: 01-353 8851 Telex: 25916

Valuers of industrial & commercial property. Agents for the sale, letting and purchase of industrial & commercial property. Investment, finance & development consultants. Rating & compensation surveys. Plant & machinery valuers.

Looking for Property in Germany?

Please contact one of the largest and oldest West German property agencies: recognised specialists for the negotiation of developed and undeveloped property, for the requirements of trade and industry, all lettings: office, warehouse, shops etc.

Aengevelt-RDM-Immobilien KG 2 Düsseldorf, Heinrich-Heine-Allee 38, Telefon 5891

Telex: 08582168

هكزامن النحل

BELGIUM. Arts Centre, Avenue des Arts 19H, 1040 Brussels. Tel: 219.42 10 Telex: 23630. — Frankrijklei 33, 2000 Antwerp. Tel: 32.4.792.3 Telex: 34885
FRANCE. 80 Avenue Marceau, 75006 Paris. Tel: 720.21.23 Telex: 610695
GERMANY. Alte Roßhofstrasse 8, 6 Frankfurt-am-Main. Tel: 20807 Telex: 413001 — Neuer Wall 84, 3-Hamburg. Tel: 36.30.414 Telex: 216355
HOLLAND. Jan Willem Brouwersplein 25, Amsterdam 1007. Tel: 76.49.06 Telex: 14042 — Westblaak 109, Rotterdam. Tel: 14.74.77 Telex: 24334
REPUBLIC OF IRELAND. 60-63 Dawson Street, Dublin 2. Tel: 7.75.06 Telex: 4126
ENGLAND. 103 Mount Street, London W1V 6AN. Tel: 01-493 6040 Telex: 24855. — 33 King Street, London EC2V 8EE. Tel: 01-605 4980 Telex: 85555
Europe: London, City & West End, Croydon, Newmarket, Glasgow, Edinburgh, Jersey, Dublin, Brussels, Antwerp, Paris, Rotterdam, Amsterdam, Frankfurt.
Australasia: Sydney, Canberra, Melbourne, Brisbane, Adelaide, Perth. Associated Offices in New Zealand.
South East Asia: Hong Kong, Singapore, Kuala Lumpur, Kuching. **Middle East:** Cairo. **U.S.A.:** New York



A first-class reputation is not all we have built

For Government, Local Authorities and the private sector, Espley-Tyas are building buildings the breadth of the country. Our expanding success is our 'Unity of team operation' and over a century of constructive development.

ESPLEY-TYAS
CONSTRUCTION LTD.

A Member of the Espley-Tyas Group of Companies
P.O. Box No. 6, Park Hill, Balford Priory,
Barnsley, West Yorkshire, S70 2BN.
Tel: Barnsley 3721 (20 lines)

We'd like to tell you more about ourselves — and better still, build for you.

FOR PROPERTY IN EUROPE

Hampton & Sons S.A.

Conseil International en Immobilier

19, avenue Franklin-D.-Roosevelt
75008 Paris France

Tel: 225 50 35 Telex: 64651

Associated with Hampton & Sons, 6 Arlington Street, London
SW1A 1RB. Tel: 01-493 8222. Telex: 25341 and 9 Dowgate Hill,
London EC4A 2TD. Tel: 01-236 7831.

FOR THOSE WHO CAN AFFORD TO BUY THE VERY BEST.



The utmost refinement in contemporary living.
Please call Nicole Le Febvre.
Paris: 538.65.65; 704.64.19

81, Avenue Foch. Paris.
You are not just buying an address.

EUROPEAN PROPERTY IV

BRITISH DEVELOPERS

The horizon less overcast

THE AIR has almost completely cleared over Europe and it has become possible to attempt to assess the role of the British property developer since the early 70s. Taken all in all, the result is not as poor as it might have been some 18 months ago.

Then, the vast number of empty office blocks, the growing mountain of foreign borrowings, the threat of sterling's collapse, and development commitments still retained, made up a recipe for disaster.

To-day, the only element of major concern is the continued weakness of the pound relative to the main European currencies.

Few British property companies are so exposed in Europe that this would be the main cause of financial collapse. Development commitments have been eased out of, relatively cheaply; those empty buildings are finally starting to let; sales are once again possible — at yields which are within all but the most unrealistic budgets; and borrowings have been steadily reduced.

One might almost say that getting out of Europe has been more businesslike than getting in.

It is now clear that the concept of development in Europe in the early years of the decade was not wrong. A generation after the war, the major capitals were lagging in providing modern commercial accommodation. British developers had the experience of developing inner city sites which made them best fitted for the task. The tradition for companies to own their headquarters was due to change in favour of renting office space. Capital could be raised to make large-scale building possible.

Recession

So what went wrong? In the first place—a world wide inflationary recession. The rate at which inflation escalated and then the depth of recession into which the Western world was flung, would have overturned even the most cautious budgeting. But, to be truthful, British developers' budgeting was not cautious.

They recognised only part of what inflation meant for the property market—that its continuation would increase rental income on the completion of development well beyond the historic cost of building—and made little attempt to match

historic cost with historic rental level budgeting.

In so doing they forgot the other side of inflation—that it would force up building costs and the cost of money, with no guarantee that either would be matched by inflated rents—and they got caught.

In the second place, the pace at which they carried out their development programmes, the scale at which they built, the numbers of buildings which were erected within walking distance of each other almost simultaneously, was a recipe for disaster in itself.

Two factors blinded British developers to the repercussions of this accelerated programme. The first arose from the nature of town planning in the U.K. A history of tight planning control in Britain's major cities has made it virtually impossible for supply to seriously outstrip demand. Consequently, British property men had not the sophistication in assessing demand and its effects on rental levels as had, say, the Americans, where negligible planning control had made it a crucial factor in budgeting.

Secondly, British developers were let down by their professional advisers. In the early years of the European boom, British estate agents and surveyors churned out forecasts of demand and rental growth which showed unlimited scope for building. With the benefit of hindsight, it is now clear that they were simply uninformed—they had, after all, only recently established themselves in completely foreign cities—particularly about local attitudes in decentralised areas around the main centres.

Even when demand and supply ratios were seen to be out of step, estate agents and developers failed to call a halt. (Perhaps because they were already too deeply committed but also because of continuing blindness.) At this point they relied on the superior quality of their accommodation and the undeniably superior quality of their letting programmes, to fill their properties.

As it turned out, European companies remained indifferent to marble entrance halls and carpeted offices where these increased the rent, and local agents soon learned to compete in letting techniques.

At this point, all would still have been well had the pound not started to come under pressure, increasing the capital debt for British-based companies at

the same time as interest rates everywhere took a sharp upward turn.

And yet the disaster has not been as monumental as might have been expected. When Amalgamated Investment and Property crashed early this year the cause was immediately put down to its enormous empty Periferic office block in the suburbs of Paris. The theory was false. Over-exposure on all fronts was the cause, not one particular European mistake. So it has been with MEPC. The much-talked-of problem over the Manhattan Centre in Brussels has been solved through the sale of the property at a figure which is relatively satisfactory.

Other companies which have managed to let their properties, albeit slowly, are now finding it possible to sell the completed

investment for yields around 8-9 per cent, thereby achieving figures higher than book value in most cases and substantially reducing foreign borrowings.

Selective

Pure investors have even done quite well. The major institutions in Britain embarked on a selective programme of buying in Europe and there have been few disappointments. Unit trusts and insurance companies have not been in the market to unload the properties they bought even at the top of the market.

Even for some development companies their European programmes have been a success. The privately owned Reamhurst group, now bought by a Life company, managed to avoid most troubles, even though it

had to abandon at least one ambitious scheme. And the previous owner, Julian Markham, has sufficient confidence to set up a new company, Glenagat, which will be considering further European schemes.

Developers of smallish shopping centres throughout Europe, but particularly in the Netherlands, have flourished. While some industrial schemes have floundered, most of these have provided a good return. And there, perhaps, lies the clue to success in the future.

Shopping centre development is accompanied by the most stringent studies of demand, while industrial schemes can be phased to meet actual demand. Both forms of development also lend themselves to custom-built operations, turnkey projects for individual retailers or manufacturers. It may well be in this

sector that real profits of the next few years.

Of course, commercial development is not confined to shops and factories. The Land Group, for instance, won a Fr.25m. contract from local authority at Suresne outside Paris, to build a phone exchange and bus station at Longchamp. Other companies have won contracts where an elegant speculative office space, included to narrow a development margin.

As U.K. property men out of recession, and for trauma of the past three years, Europe many are beginning to realise that the Continent still offers opportunity for long as demand carefully quantified.

Christine

FRANCE

All too familiar scene

THE FRENCH economy is beginning to take on an appearance familiar to British property men. Rises in corporation tax, a hike in bank rate, a squeeze on credit, a special tax on industrial profits, and, above all, a price freeze—the British this year has seen all degrees of buoyancy in the market.

The climb out of economic recession is not proving easy in France. Last year was supposed to see the first upturn, with gross national product growing by 2½ per cent. In the event GNP was down by 3 per cent. The upturn has proved just as elusive this year, leading the Government, finally, to impose an anti-inflationary package which is not finding ready acceptance.

For the property industry the crucial elements are, a freeze on prices of all goods and services for three months to December 31 followed by regulations curtailing growth in prices throughout 1977 to a maximum of 6.5 per cent. An increase of 4 per cent in Corporation Tax. A special tax on inflationary profits (actually created in 1974 but not previously applied). A rise of 1 per cent in the Banque de France's discount rate from 9.5 per cent to 10.5 per cent, already followed by a 1 per cent rise in the lending banks' rates and promise of a reduction in VAT in 1977 from 20 per cent to 17.5 per cent.

It is not yet clear how much the rent freeze will affect the industry. Landlords have already been foregoing the full increases permitted under the indexation system rather than see their tenants apply their break clauses, because open market rents have for a couple of years been lagging behind indexed rents. So the threat of a maximum 6.5 per cent increase next year may not be serious.

Just how the three-month freeze will be applied is still a matter for conjecture. It seems possible that landlords will be able to recoup any losses during the coming year because of indexation, at least for relettings, and it would be difficult to apply a freeze on new lettings.

From the tenants' point of view, however, the thought of a curb on rents may well encourage activity with the result that lettings may be stimulated. But that is for the future.

In the meantime, the French letting market is improving, but cannot yet be called buoyant. Large office blocks on the periphery are still proving difficult to shift, even though landlords of these blocks continue to waive indexed increases.

Rental levels have got back to respectable figures again with Frs.1100 not uncommon in the most prime avenues in Paris. This is the absolute top, of course, and the average prime figure in sought-after central locations is about Frs.700.

Supply

There is still a considerable supply of office accommodation in the Paris region. One French agent recently put it at some 538,000 square metres for central Paris, 1.17m. square metres in the inner suburbs and 300,000 sq. metres on the fringe. These are the figures for availability up to 1977 and the agent believes some 1.2m. square metres to have been supplied already.

On the industrial front the figure for supply looks much less daunting now that the usually quoted figure of 2.5m. square metres has been whittled down to 1m. through the combined effects of take up and the abandonment of schemes in the

same time as interest rates everywhere took a sharp upward turn.

And yet the disaster has not been as monumental as might have been expected. When Amalgamated Investment and Property crashed early this year the cause was immediately put down to its enormous empty Periferic office block in the suburbs of Paris. The theory was false. Over-exposure on all fronts was the cause, not one particular European mistake. So it has been with MEPC. The much-talked-of problem over the Manhattan Centre in Brussels has been solved through the sale of the property at a figure which is relatively satisfactory.

Other companies which have managed to let their properties, albeit slowly, are now finding it possible to sell the completed

investment for yields around 8-9 per cent, thereby achieving figures higher than book value in most cases and substantially reducing foreign borrowings.

Pure investors have even done quite well. The major institutions in Britain embarked on a selective programme of buying in Europe and there have been few disappointments. Unit trusts and insurance companies have not been in the market to unload the properties they bought even at the top of the market.

Even for some development companies their European programmes have been a success. The privately owned Reamhurst group, now bought by a Life company, managed to avoid most troubles, even though it had to abandon at least one ambitious scheme. And the previous owner, Julian Markham, has sufficient confidence to set up a new company, Glenagat, which will be considering further European schemes.

Developers of smallish shopping centres throughout Europe, but particularly in the Netherlands, have flourished. While some industrial schemes have floundered, most of these have provided a good return. And there, perhaps, lies the clue to success in the future.

Shopping centre development is accompanied by the most stringent studies of demand, while industrial schemes can be phased to meet actual demand. Both forms of development also lend themselves to custom-built operations, turnkey projects for individual retailers or manufacturers. It may well be in this

sector that real profits of the next few years.

Of course, commercial development is not confined to shops and factories. The Land Group, for instance, won a Fr.25m. contract from local authority at Suresne outside Paris, to build a phone exchange and bus station at Longchamp. Other companies have won contracts where an elegant speculative office space, included to narrow a development margin.

As U.K. property men out of recession, and for trauma of the past three years, Europe many are beginning to realise that the Continent still offers opportunity for long as demand carefully quantified.

Christine

the whole Paris region the total is a mere 900,000 square metres—less even than the similar restrictions applied to the Greater London area.

The main news coming from the capital in recent years, however, has not been of building but of sales. This year has been notable for some particularly large sales such as Chesterfield, Ronson's Opera St-Anne which sold for Frs.95m. to a French insurance company for the very low initial yield of 8 per cent. This sale brought to £23m. the sum the company has raised from sales of French properties over the past year but still leaves it with two Paris investments, one in Lille and another in Bordeaux, in addition to a half share in two more Paris developments with Unilever.

The aim of the sales—as far as many other British companies was the reduction of foreign borrowings and release from guarantees.

Difficult

Another French investment company, bought Scandinavian Securities' small Rue d'Aguesseau block for a yield only a half point more, and several of Heron's 223-223m. worth of sales are thought to have been at, roughly the same levels. Certainly, they were above book value. Most difficult to shift.

One wonders what M. d. any thinks of the new tax and what effect the have on other potential investors.

Christine

SCANDINAVIA

Firmer hopes

THE ECONOMIC prosperity of Scandinavia has so far not been followed by the establishment of a property investment market on the scale seen in other parts of Western Europe. Foreign investment, and particularly British, has been seen on any scale only in Denmark, and then largely as a spin-off from the days of more hectic development in Holland and Germany.

The results there have inevitably been mixed. But the intrinsic strength of the Swedish economy, plus the growing potential of Norway's oil interests, appear likely to attract cautious interest in the area from the property industry and from investment institutions in other parts of Europe.

The underdeveloped state of a market, in the British sense, is indicated by the fact that in Norway there are no quoted property companies and in Sweden only five. That, however, is talking of pure property companies and in Sweden the larger construction companies have maintained a property role and have lately bought stakes in some of the quoted property investment companies.

These are among the main forces in the Swedish investment market, but, apart from retail areas that is in Britain normally associated with speculative development. The main office area on the northern bank of the Malaren Lake is established as the area where rents are highest—up to around Skr.500 per sq. metre a year—but there are extensions to both the immediate east and west, and further to the east, around the harbour, are two areas in Lidingö and close to the Gardet Plain which have attracted prime covenants.

The tradition of owner-occupied housing remains strong, but gradually there is a more active market in the Western Euro-

pean market, to be a period of stagnation for its forest industries. Added to this is the majority of French strength of its multinational property comes through groups like Atlas Copco, SKF, ASEA, Volvo and Saab and, of particular interest to contract foreign investors, Signifi ing groups, its traditional benevolence in terms of aid to the Third World.

The strength of the Swedish contracting-developing companies coincides with a period when their British counterparts are reasserting their place in the property market after a period when the development investment company was paramount. There seems some logic in joint venture arrangements, since the British companies are looking outside Britain in terms of retaining assets and also in cutting their new-found reliance on Arab contracts, and the Swedes would perhaps like to gain introductions to a wider world market.

Sweden itself, the market has seldom borne any large percentage of speculative schemes. But Stockholm is a capital which has seen the type of breaking-out from established office and retail areas that is in Britain normally associated with speculative development. The main office area on the northern bank of the Malaren Lake is established as the area where rents are highest—up to around Skr.500 per sq. metre a year—but there are extensions to both the immediate east and west, and further to the east, around the harbour, are two areas in Lidingö and close to the Gardet Plain which have attracted prime covenants.

The tradition of owner-occupied housing remains strong, but gradually there is a more active market in the Western Euro-

pean market, to be a period of stagnation for its forest industries. Added to this is the majority of French strength of its multinational property comes through groups like Atlas Copco, SKF, ASEA, Volvo and Saab and, of particular interest to contract foreign investors, Signifi ing groups, its traditional benevolence in terms of aid to the Third World.

Continued on next page

WEST GERMANY

An obstacle course

HAS always been a quoted recently as saying, "We and egg argument about the pace for the British of European property the developer or the agent. In Germany certain developer won by a vote."

well into 1972 before the pace from Heathrow to rt. Munich and Hamburg began. To all with agents. They are driven there because tion for sites elsewhere had become intense. In those days of financing some cons. hauled at paying the collapse of the U.K. at the end of 1974 before most of the 30 developers who bought in Germany had managed construction very well. If started at all, the Capital and County project in Hamburg and EPC project in Munich lengthy planning delays start came so late that problems were inevitable.

position

ay there are dozens of around German cities by British companies but there is little likelihood of construction or refurbishment taking place until the economy improves to such extent that it is again able to fund overseas investments.

where development has arried out or where it is a great deal of local has sprung up. Retailers in Hamburg accused British property of exploiting them "merely for commercial advancement."

The charge, which must a familiar ring to many developers, is that exorbitant demands are driving out tenants, such as shops and art galleries out of central areas and changing the character of a town.

spokesman for the Hamburg Retailers Association is bought by BP Pension Trust in

August 1974 for around £13m. Der Spiegel pointed out that the building houses some 120 small firms—firms which are unable to afford to move to modern expensive offices and who prefer to be in a central position. The huge 220,000-square-foot block was BP Pension Trust's first overseas purchase. Built in 1905 as a prestige business house, it has a basement and five upper floors. Much of its original fabric has been lost, partly as a result of war damage and partly because of construction work carried out in 1952.

Modernisation

When BP bought the property it housed a great many tenants, but the fund's property advisers, Debenham Tewson and Chinnocks, said the building's accommodation was not in keeping with its prime position. The Fund appointed a firm of local architects to draw up plans for the complete modernisation of the building. The scheme which was eventually produced won immediate approval from the Hamburg planning authorities.

Part of the Fund's restoration and refurbishment plans included the redesign of much of the original facade of the building. There will not be much extra space at the end. The redevelopment will only add some 20,000 square feet of floor area to the original 220,000 square feet. The total cost is about £8.5m.

Clearly BP Pension Trust will argue that small firms who cannot afford market rents should not be located in prime positions, but local reaction against the British developer will intensify as more and more of the smaller firms are forced out.

If conditions on the British property market do not improve many developers are likely to look more and more to Germany as the property market to operate in until things improve.

Agents Weatherall Green and Smith have just produced a new survey on the German property scene which suggests six reasons why the German market still has attractions. They include German Mortgage bank would

increasing demands for new property as the economy moves away from recession, relatively cheap long-term finance, low inflation rates, stable building costs, secure long-term investment markets (but a shortage of prime investment propositions) and first-class development opportunities in all major cities.

The recession has been the longest since the war. It reached its lowest point in Germany in the middle of last year, and has since given way to strong recovery. Recently there has been a slight improvement in unemployment, there is a low rate of inflation and the Deutschemark continues to appreciate.

Weatheralls suggest that the underlying property investment market in Germany is sound. From the summer of 1973 until the middle of last year the market was quiet in contrast with the previous five-year period.

During the past 12 months, however, market activity has picked up appreciably although values have not climbed to earlier high levels. Nevertheless, there can now be said to be a sound, underlying investment market for good properties in both the residential and commercial sectors.

Prime yields for central area office and shipping investments in the largest cities command net yields of 6-8½ per cent or 14-16 years purchase of net rental income. In smaller towns, or for secondary properties in the major cities, returns of between 8-10½ per cent or 12½ to 14 years purchase are normal.

Yields in the warehousing and industrial sectors are more difficult to define owing to shortage of market information although Weatherall Green and Smith state that recent transactions point to a net return of between 9 to 9½ per cent for the very best properties.

It is still possible to fund property development in Germany. A classic form of financing would be to arrange an overall package whereby a German Mortgage bank would

produce the majority of the overall financing required.

Normally this would be around 60 per cent of total development costs including rolled-up financing and a rent void financing period if required, with the balance being provided by one of the major commercial banks. The mortgage would normally be prepared to advance the money for a term of between 20 and 25 years with fixed interest rates for the first five or ten years of the loan. Amortisation, normally at 2 per cent, would be a requirement but it should be possible to negotiate a holiday for the initial years of the loan in order for a sufficient cash flow surplus to be built up. Current interest rates on a 100 per cent payout are in the order of 8½ per cent for five year fixed interest money and 9 per cent for ten year fixed interest money, although market trends are now rising.

Rory Ferguson



Richard Ellis have been retained by Motorpresse Verlag as agents for this office block in Stuttgart

Scandinavia

CONTINUED FROM PREVIOUS PAGE

companies are linked; or finally "and perhaps most sensibly," says the report, entering joint ventures with local building and development companies.

In contrast to the difficulties of entry into this market, Denmark has proved relatively easy of access since the country's entry to the Common Market broke down the prohibitive nature of legislation in regard to ownership of Danish property by foreigners.

The results of their Danish interests for groups like the Magnum Hotel Group, Westward Commercial Holdings or Benedic Holdings have largely been dictated by difficulties elsewhere. Nevertheless there have also been some severe disappointments for other British developers and also for British retail groups attracted to the well-defined prime retail sections of Copenhagen.

Nevertheless, the Chester-

tons' report concludes that the market in Copenhagen is showing signs of improvement (the lifting of rent restrictions being a factor) and that although there is over-supply in some areas this is not excessive. With the economy scarcely buoyant, but showing signs of uplift, the central areas of the capital around the Stroget, the Christiansborg Palace, the Town Hall and the Nyhavn, are still in demand.

Well refurbished buildings in such areas have shown rents up to Dkr.850 per square metre on smaller lettings, but the levels of Dkr.850 or Dkr.900 per square metre achieved some time ago on new offices on Nyropsgade have not, on the whole, been exceeded or even matched in recent deals.

While odd investors such as Grandvista Properties, the Equity and Law subsidiary, have continued to show an interest in

the Danish market, any major expansion of foreign activity is likely to depend on signs of a continued economic recovery and so far, despite a fairly long history of rented industrial estates in the Copenhagen area, there is little sign of a sustained recovery in industrial space demand.

Opportunities

Finally, although it has the least developed of the Scandinavian property markets, Finland may possibly offer the greatest opportunities for foreign capital investment simply through the weaknesses of its own capital markets and the desire to limit reliance on Eastern Europe, currently greater than for many years since the Eastern trading markets have been more cushioned against recession than those in Western Europe.

However the obstacles to foreign investment are considerable, and the current freeze on office rents does not encourage development despite theoretically quite high returns on commercial and industrial properties.

This must remain the least promising of the Scandinavian markets, though the possibility of pipelining Norway's oil through to Finland, to reduce the country's commitment to the East, would also perhaps open opportunities to foreign contractors and developers. The future of the whole Scandinavian property market, reliant on the local economies, is in large part bound up with Norway's prospect of quickly increased wealth and Sweden's lasting industrial strength. Together they appear to offer the prospect of increased interest in property investment in the area.

Quentin Guiridham

Turn to Weatheralls for advice in Europe



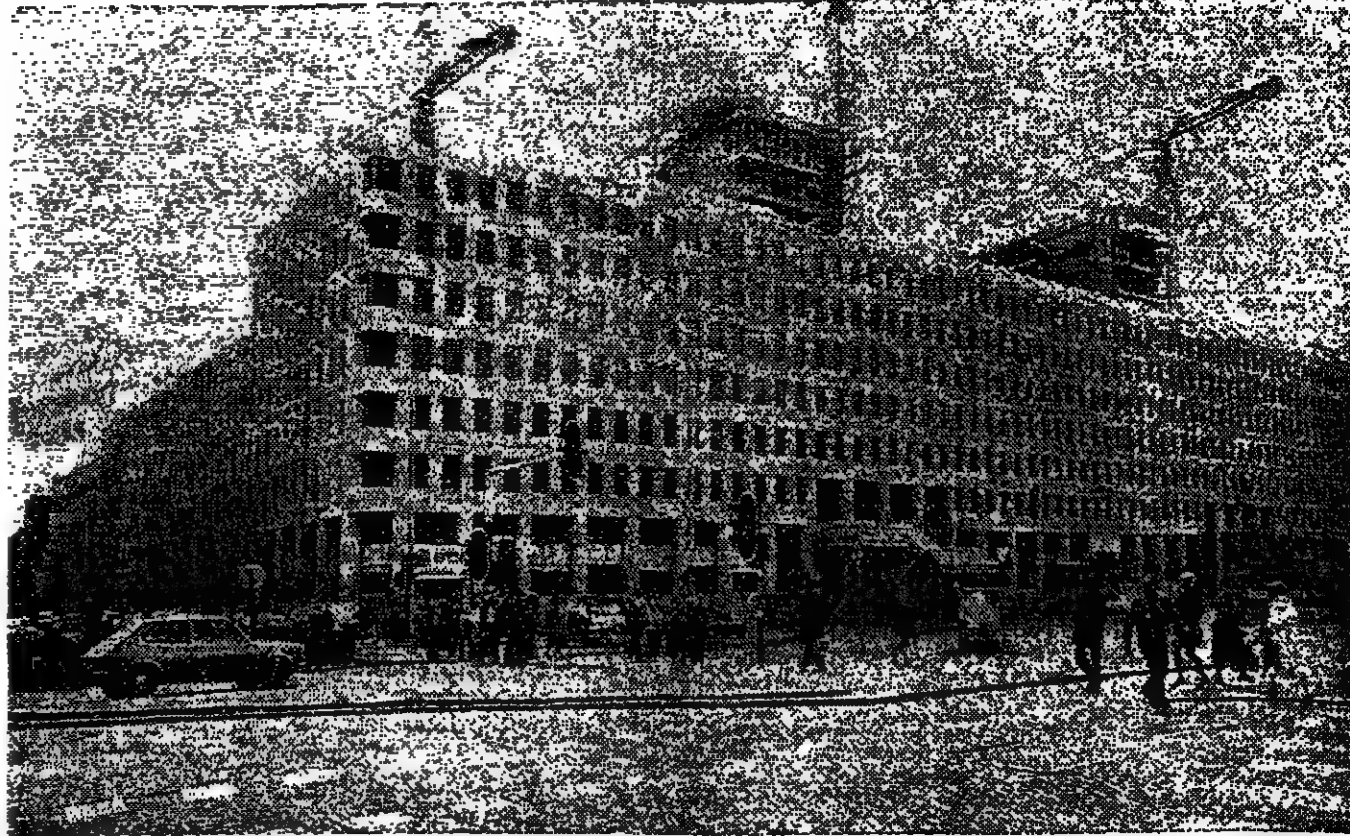
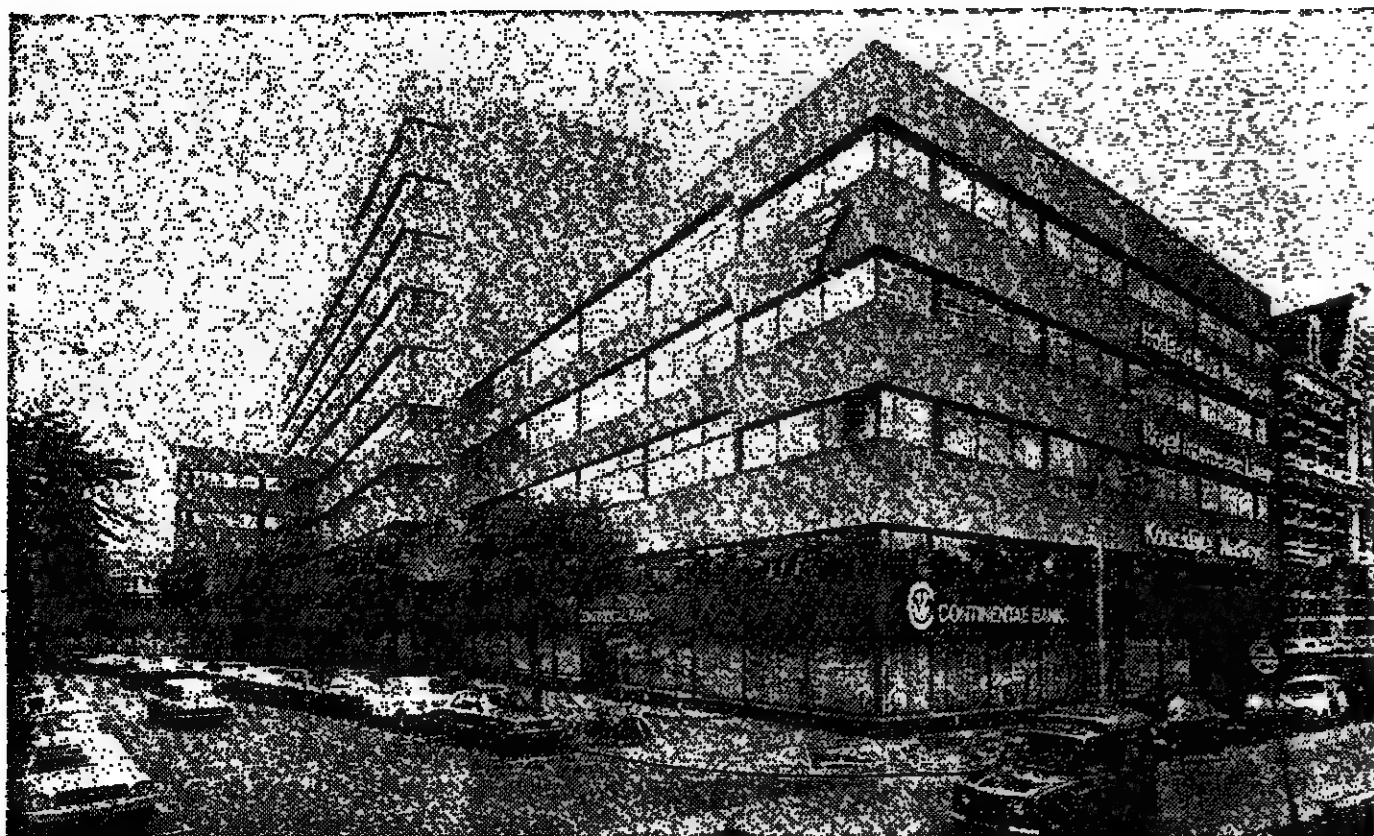
Weatherall Green & Smith

CHARTERED SURVEYORS-ESTATE AGENTS

22 Chancery Lane London WC2A 1LT
01-405 6944 Telex 22446

London Leeds Paris Nice Marseille Frankfurt Hamburg Munich

EUROPEAN PROPERTY VI



Two of Rotterdam's major blocks, the present Nederlandsche Scheepvaart Unie offices at Zalmhaven (left) and the new Ennia Verzekeringen insurance building now being completed in West Blaak

THE NETHERLANDS

Still an attraction to developers

LANGUAGE AND night life attracted developers to Holland.

Despite the devastating losses suffered by many British property developers as a result of their invasion of the Dutch property market the country is likely to remain the favourite European location for property investment. The attraction of Holland to the developer probably had a lot to do with the fact that most business men there speak English, although the night life in Amsterdam among the canals probably helped.

In all some 30 British development companies and investing funds have or had schemes in Holland and at the height of the property market total funds invested exceeded £800m. or to be correct, the completed investment value of the schemes owned by British interests had that kind of value. But in fact by the time the bulk of the schemes were completed the market had fallen and it is doubtful whether the schemes now owned by the British exceed a value of £300m.

Portfolio

Activity in Holland by developers from the United Kingdom tended to be in the retail sector. There are many small shopping centres throughout the country which were or are owned by British investors. One of the first to build up a sizeable portfolio was Julian Markham, whose Reamhurst Properties developed a 70,000 square feet shopping centre in the expanding Rotterdam satellite town of Ridderkerk. Later the company bought another site in the course of construction at Landsmeer, Amsterdam, where it completed a small neighbourhood shopping centre of nine shops and a car park.

Markham has now sold his interest in Reamhurst to Hill Samuel Life Assurance and has formed another company, Glengate Properties, which he intends to build up into a major property development and investment group. He is already looking for opportunities in Holland.

The attraction of shopping development stemmed from the similarity between the retail trade in Holland and Britain, aided by the fact that British retailers were expanding into European markets and Holland appeared the easiest to break into. To-day the evidence of this move can be seen in prime retail locations such as Kalverstraat, Amsterdam and Lijnbaan in Rotterdam where dozens of well known British retailers have opened shop.

Amsterdam's Kalverstraat is the most important shopping area in Holland and can be considered a classic example of improvement by means of pedestrianisation. Before traffic was diverted away it was associated with individual luxury trading involving low turnover and high profit margins. Now it is increasingly involving volume trading. There has been a definite trend for international retailers to establish themselves in Kalverstraat and they have created a market for very high rentals.

Rents of £20 per sq ft are common in Kalverstraat, compared with £17.50 per sq ft in similar areas. Rents in the nearby Nieuwendijk and the Leidsestraat are also high and many airlines and other international services have established themselves in these streets. The rents for decentralised Amsterdam shops are pitched at around £10 per sq ft.

In Rotterdam, the principal retail location is the Lijnbaan, one of the first modern pedestrianised retail schemes in Europe. Built after the war the shops were all let during a period of rent control and for many years there was a distortion in the overall rental pattern for the area. But nowadays, rents in Lijnbaan are the highest for retail space in Rotterdam at about £21.50 per sq ft.

Four years ago the first major covered shopping in a decentralised area of Rotterdam was opened. The location is the Zuidplein and contrary to general expectation at the time the scheme has not affected trading on the Lijnbaan. Rents are around £11 per sq ft, somewhat more than £7.50 per sq ft obtained for shops in secondary central areas of Rotterdam.

The leading retail location in The Hague is the Spuistraat where the Grote Marktstraat has attracted major departmental stores. Lesser central locations have been seriously affected by the development of two large decentralised shopping centres at Rijswijk and Leidschendam. As a result there are gaps in secondary central positions and there has been polarisation on the really prime locations.

Rents in Spuistraat reach a ceiling of £16 per sq ft in the best positions. In the decentralised shopping centres, rents are currently around £10 per sq ft.

In all three cities there has been a considerable investment by British developers, and pension funds were active buyers when they were able to invest £1m. per year per fund overseas without paying the dollar premium.

The Ladbroke Group's development arm, London and Leeds, is carrying out a shop and office scheme in Kalverstraat. Building is nearing completion and agents Jones Lang Wootton will soon be marketing it. At first they will probably attempt to get a single tenant for the total floor area of 32,000 square feet.

This scheme is the only major development going on in the Kalverstraat at present. There are few sites for future development, although 'one empty building, the former Suisse Restaurant, is the subject of offers from almost every property man operating in Holland. It is owned by a Dutch woman who is clearly in no need of financial assistance. The site has been on the market for years, but the purchase price has risen consistently.

British retailers have made their mark in the Kalverstraat and the Lijnbaan. Dixon's has one of its best overseas outlets in Kalverstraat and the whole street closely resembles any British high street. Among U.K. retailers are W. L. Smith, Mothercare, Austin Reed, Evans and Owen and two Manfield shoe shops.

British estate agents have been very active in shop lettings in both Amsterdam and Rotterdam and are at last attracting local clients.

The Amsterdam office of Knight Frank and Rutley claim that some 70 per cent of recent lettings and property sales have been done on behalf of Dutch clients.

Much of this local work comes from institutional investors, such as Dutch pension funds and insurance companies. There is a desperate shortage of worthwhile investment propositions, particularly among shops where the current investment yields are around 7 per cent for prime locations. This compares with an investment yield of 4.75 to 7 per cent on prime offices and 9 per cent on industrial property which is well positioned for the trans-European motorway network.

Because of the shortage of Dutch investment properties many of the traditional investors who make the market have been diversifying abroad. West Germany, France and U.S. the most usual centres agents Savills said in a survey that many Dutch investors are buying agricultural estates in Britain as well as in the Netherlands.

The office investment has stayed fairly stable in the past few months although interest charges. The deal by far was the sale by City Properties of the point buildings in Rotterdam for £25.6m.

Transactions of this size relatively limited property market can completely distort analysis, and whilst these actions cannot be ignored they are by no means representative of the market as a whole.

Rory Fergusson

PROPERTY MARKET REPORT

A multi-national company of the highest standing seeks to purchase a freehold office building in BRUSSELS. The building should be ready for occupation within 24 months, and offer usable space of 8,000 sq. metres. It must be centrally located and offer excellent communications by road and rail. Replies in the first instance to P. D. Orchard Lisle.

Healey & Baker

Established 1820 in London

29 St. George Street, Hanover Square

London W1A 3BG

01-629 9292

CITY OF LONDON: 116 OLD BROAD STREET LONDON EC2N 1AN

ASSOCIATED OFFICES IN PARIS BRUSSELS AMSTERDAM JERSEY

THE INTERNATIONAL REAL ESTATE FEDERATION F.I.A.B.C.I.

EUROPEAN DAY CONFERENCE

will be held tomorrow 21st October at the Town Hotel, St. Katherine's Way, London, E.1.

The speakers and subjects will include:

1. A welcome by the president of the R.I.C. Institution of Chartered Surveyors.

2. Robert Steel, secretary-general of the R.I.C. will give a paper on the organisation of the real estate profession in the U.K. In particular he will refer to licensing of agents, education, qualifications, etc.

3. A panel discussion will follow with:

(a) Edward Erdman, taking the subject of general practice, comparing the methods and practices used by Europe and the U.K.

(b) Peter Redman, Commercial Union Properties, will deal with finance and particularly how the British developer is it wrong or right in Europe.

(c) George Macpherson, Wimpey, will address the meeting on housing, dealing both with the U.K. and European markets and trends.

On Friday, 22nd October, delegates will be taken on a tour of the Brent Cross Shopping Centre.

David Curry

Commercial property in Scandinavia. An in-depth report.

Just published. A comprehensive survey on the commercial property market in Norway, Sweden, Denmark and Finland. Of particular interest to international companies, developers and investors.

Prepared in co-operation with Nordic Bank Limited and published by Chestertons.

Chestertons

Chartered Surveyors

European Department

9 Wood Street

Cheapside London EC2V 7AR

Telephone 01-608 3055 Telex 8612798

There is some institutional

interest in buying leased buildings but investors are worried about taking buildings let to a single tenant, particularly if a break in the lease is imminent (in Belgium leases are normally for three, six and nine years).

What does seem to be likely for the next phase of growth—although critics could well argue that it would be beyond the wit of demand to devise a less orderly process. The increasing control on planning being exercised in Brussels, however haphazard and however subject to the whims of various communal authorities, together with the greater difficulty in raising money and operating profitably, are likely to counsel a degree of prudence which was unnecessary in the day of the Brussels boom.

Meanwhile industrial property development has been carried out largely in the hands of Dutch, British and American concerns, and has been geared towards the network of Belgian road and canal communications. Within the Brussels area the land around Diegem, Zaventem and Nossesgem, with the main airport close at hand, has been a focal point of expansion. It is estimated that over three some 98,000 square metres has been put on the market with some 37,000 still awaiting tenants though most of this is relatively recently completed plant.

Apart from the airport area, other parts of greater Brussels in demand are at the start of the motorway to Paris and in the Grand Bigard area which is in the north of the city. The threat hanging over companies in Dutch-speaking parts of Belgium, where the Flemish authorities could insist on all internal company communications taking place in Dutch, has also tended to emphasise the attractions of the (at least officially) bi-lingual communes of Brussels.

The economic recession has taken its toll of the industrial property scene, and this is being felt in the demand for smaller space, though it is also noted that companies which kept their administration in Brussels and their plant outside the city have started to examine the possibilities of moving their office administration back over

Frontage

The development at 326-324 Kalverstraat is at the Munt Tower end of the street and has a frontage onto the Singel so it will be very easy to split into two for letting purposes if a single tenant cannot be found.

Belgium

Uncertain times

THE BELGIAN property market has recovered a little of its buoyancy with the passing of the depth of the economic recession — or at least the latest phase of it — but no-one in the industry is pretending that stability is likely to return to the market much before the end of the decade.

While the prime pieces of real estate along the Avenue des Arts have continued to move — rents of £13.000 per square metre are being achieved — elsewhere in Brussels activity is sporadic and tentative. In the peripheral areas rents have tended to fall while the inauguration of the first stage of the new Metro may serve to heighten the differences in transport facilities between parts of Brussels. In particular, there is some speculation that the Avenue Louise, which has suffered from a relative transport deficiency as well as increasingly tight controls on development, may suffer more for being well off the course of the early Metro network.

The Brussels property formula essentially revolves around three factors — the demands of the national Government, of the EEC institutions and of business. In the business sector bank demand has been encouraging but the EEC and Government demand has been very light, and the industry is reduced to pinning its hopes on the natural propensity of the civil service to expand.

The tortuous story of the agglomeration tax — the tax on buildings based on their ratio between volume and plot size, and levied at some BF.350 per square metre — has moved forward slowly. The first demands for payment have been presented but it is understood that there are a lot of appeals against the assessment and it may be some time before companies have to get around finally to writing cheques.

Interest

The investment picture has also been unexciting. It is thought that there will be no major investments made until rents move up again to make investment cost-efficient. The current freeze on rents is due to end at the end of December but already there are believed to be plans by the Government to control the amount by which rents can be pushed up, possibly to be followed by another freeze.

There is some institutional

interest in buying leased buildings but investors are worried about taking buildings let to a single tenant, particularly if a break in the lease is imminent (in Belgium leases are normally for three, six and nine years).

What does seem to be likely for the next phase of growth—although critics could well argue that it would be beyond the wit of demand to devise a less orderly process. The increasing control on planning being exercised in Brussels, however haphazard and however subject to the whims of various communal authorities, together with the greater difficulty in raising money and operating profitably, are likely to counsel a degree of prudence which was unnecessary in the day of the Brussels boom.

Meanwhile industrial property development has been carried out largely in the hands of Dutch, British and American concerns, and has been geared towards the network of Belgian road and canal communications. Within the Brussels area the land around Diegem, Zaventem and Nossesgem, with the main airport close at hand, has been a focal point of expansion. It is estimated that over three some 98,000 square metres has been put on the market with some 37,000 still awaiting tenants though most of this is relatively recently completed plant.

Apart from the airport area, other parts of greater Brussels in demand are at the start of the motorway to Paris and in the Grand Bigard area which is in the north of the city. The threat hanging over companies in Dutch-speaking parts of Belgium, where the Flemish authorities could insist on all internal company communications taking place in Dutch, has also tended to emphasise the attractions of the (at least officially) bi-lingual communes of Brussels.

The economic recession has taken its toll of the industrial property scene, and this is being felt in the demand for smaller space, though it is also noted that companies which kept their administration in Brussels and their plant outside the city have started to examine the possibilities of moving their office administration back over

Frontage

The development at 326-324 Kalverstraat is at the Munt Tower end of the street and has a frontage onto the Singel so it will be very easy to split into two for letting purposes if a single tenant cannot be found.

Belgium

Uncertain times

THE BELGIAN property market has recovered a little of its buoyancy with the passing of the depth of the economic recession — or at least the latest phase of it — but no-one in the industry is pretending that stability is likely to return to the market much before the end of the decade.

While the prime pieces of real estate along the Avenue des Arts have continued to move — rents of £13.000 per square metre are being achieved — elsewhere in Brussels activity is sporadic and tentative. In the peripheral areas rents have tended to fall while the inauguration of the first stage of the new Metro may serve to heighten the differences in transport facilities between parts of Brussels. In particular, there is some speculation that the Avenue Louise, which has suffered from a relative transport deficiency as well as increasingly tight controls on development, may suffer more for being well off the course of the early Metro network.

The Brussels property formula essentially revolves around three factors — the demands of the national Government, of the EEC institutions and of business. In the business sector bank demand has been encouraging but the EEC and Government demand has been very light, and the industry is reduced to pinning its hopes on the natural propensity of the civil service to expand.

The tortuous story of the agglomeration tax — the tax on buildings based on their ratio between volume and plot size, and levied at some BF.350 per square metre — has moved forward slowly. The first demands for payment have been presented but it is understood that there are a lot of appeals against the assessment and it may be some time before companies have to get around finally to writing cheques.

Interest

The investment picture has also been unexciting. It is thought that there will be no major investments made until rents move up again to make investment cost-efficient. The current freeze on rents is due to end at the end of December but already there are believed to be plans by the Government to control the amount by which rents can be pushed up, possibly to be followed by another freeze.

There is some institutional

interest in buying leased buildings but investors are worried about taking buildings let to a single tenant, particularly if a break in the lease is imminent (in Belgium leases are normally for three, six and nine years).

What does seem to be likely for the next phase of growth—although critics could well argue that it would be beyond the wit of demand to devise a less orderly process. The increasing control on planning being exercised in Brussels, however haphazard and however subject to the whims of various communal authorities, together with the greater difficulty in raising money and operating profitably, are likely to counsel a degree of prudence which was unnecessary in the day of the Brussels boom.

Meanwhile industrial property development has been carried out largely in the hands of Dutch, British and American concerns, and has been geared towards the network of Belgian road and canal communications. Within the Brussels area the land around Diegem, Zaventem and Nossesgem, with the main airport close at hand, has been a focal point of expansion. It is estimated that over three some 98,000 square metres has been put on the market with some 37,000 still awaiting tenants though most of this is relatively recently completed plant.

Apart from the airport area, other parts of greater Brussels in demand are at the start of the motorway to Paris and in the Grand Bigard area which is in the north of the city. The threat hanging over companies in Dutch-speaking parts of Belgium, where the Flemish authorities could insist on all internal company communications taking place in Dutch, has also tended to emphasise the attractions of the (at least officially) bi-lingual communes of Brussels.

The economic recession has taken its toll of the industrial property scene, and this is being felt in the demand for smaller space, though it is also noted that companies which kept their administration in Brussels and their plant outside the city have started to examine the possibilities of moving their office administration back over

Frontage

The development at 326-324 Kalverstraat is at the Munt Tower end of the street and has a frontage onto the Singel so it will be very easy to split into two for letting purposes if a single tenant cannot be found.

Belgium

Uncertain times

THE BELGIAN property market has recovered a little of its buoyancy with the passing of the depth of the economic recession — or at least the latest phase of it — but no-one in the industry is pretending that stability is likely to return to the market much before the end of the decade.

While the prime pieces of real estate along the Avenue des Arts have continued to move — rents of £13.000 per square metre are being achieved — elsewhere in Brussels activity is sporadic and tentative. In the peripheral areas rents have tended to fall while the inauguration of the first stage of the new Metro may serve to heighten the differences in transport facilities between parts of Brussels. In particular, there is some speculation that the Avenue Louise, which has suffered from a relative transport deficiency as well as increasingly tight controls on development, may suffer more for being well off the course of the early Metro network.

The Brussels property formula essentially revolves around three factors — the demands of the national Government, of the EEC institutions and of business. In the business sector bank demand has been encouraging but the EEC and Government demand has been very light, and the industry is reduced to pinning its hopes on the natural propensity of the civil service to expand.

The tortuous story of the agglomeration tax — the tax on buildings based on their ratio between volume and plot size, and levied at some BF.350 per square metre — has moved forward slowly. The first demands for payment have been presented but it is understood that there are a lot of appeals against the assessment and it may be some time before companies have to get around finally to writing cheques.

Interest

The investment picture has also been unexciting. It is thought that there will be no major investments made until rents move up again to make investment cost-efficient. The current freeze on rents is due to end at the end of December but already there are believed to be plans by the Government to control the amount by which rents can be pushed up, possibly to be followed by another freeze.

There is some institutional

interest in buying leased buildings but investors are worried about taking buildings let to a single tenant, particularly if a break in the lease is imminent (in Belgium leases are normally for three, six and nine years).

What does seem to be likely for the next phase of growth—although critics could well argue that it would be beyond the wit of demand to devise a less orderly process. The increasing control on planning being exercised in Brussels, however haphazard and however subject to the whims of various communal authorities, together with the greater difficulty in raising money and operating profitably, are likely to counsel a degree of prudence which was unnecessary in the day of the Brussels boom.

Meanwhile industrial property development has been carried out largely in the hands of Dutch, British and American concerns, and has been geared towards the network of Belgian road and canal communications. Within the Brussels area the land around Diegem, Zaventem and Nossesgem, with the main airport close at hand, has been a focal point of expansion. It is estimated that over three some 98,000 square metres has been put on the market with some 37,000 still awaiting tenants though most of this is relatively recently completed plant.

Apart from the airport area, other parts of greater Brussels in demand are at the start of the motorway to Paris and in the Grand Bigard area which is in the north of the city. The threat hanging over companies in Dutch-speaking parts of Belgium, where the Flemish authorities could insist on all internal company communications taking place in Dutch, has also tended to emphasise the attractions of the (at least officially) bi-lingual communes of Brussels.

The economic recession has taken its toll of the industrial property scene, and this is being felt in the demand for smaller space, though it is also noted that companies which kept their administration in Brussels and their plant outside the city have started to examine the possibilities of moving their office administration back over

Frontage

The development at 326-324 Kalverstraat is at the Munt Tower end of the street and has a frontage onto the Singel so it will be very easy to split into two for letting purposes if a single tenant cannot be found.

Belgium

Uncertain times

THE BELGIAN property market has recovered a little of its buoyancy with the passing of the depth of the economic recession — or at least the latest phase of it — but no-one in the industry is pretending that stability is likely to return to the market much before the end of the decade.

While the prime pieces of real estate along the Avenue des Arts have continued to move — rents of £13.000 per square metre are being achieved — elsewhere in Brussels activity is sporadic and tentative. In the peripheral areas rents have tended to fall while the inauguration of the first stage of the new Metro may serve to heighten the differences in transport facilities between parts of Brussels. In particular, there is some speculation that the Avenue Louise, which has suffered from a relative transport deficiency as well as increasingly tight controls on development, may suffer more for being well off the course of the early Metro network.

The Brussels property formula essentially revolves around three factors — the demands of the national Government, of the EEC institutions and of business. In the business sector bank demand has been encouraging but the EEC and Government demand has been very light, and the industry is reduced to pinning its hopes on the natural propensity of the civil service to expand.

The tortuous story of the agglomeration tax — the tax on buildings based on their ratio between volume and plot size, and levied at some BF.350 per square metre — has moved forward slowly. The first demands for payment have been presented but it is understood that there are a lot of appeals against the assessment and it may be some time before companies have to get around finally to writing cheques.

Interest

The investment picture has also been unexciting. It is thought that there will be no major investments made until rents move up again to make investment cost-efficient. The current freeze on rents is due to end at the end of December but already there are believed to be plans by the Government to control the amount by which rents can be pushed up, possibly to be followed by another freeze.

There is some institutional

interest in buying leased buildings but investors are worried about taking buildings let to a single tenant, particularly if a break in the lease is imminent (in Belgium leases are normally for three, six and nine years).

What does seem to be likely for the next phase of growth—although critics could well argue that it would be beyond the wit of demand to devise a less orderly process. The increasing control on planning being exercised in Brussels, however haphazard and however subject to the whims of various communal authorities, together with the greater difficulty in raising money and operating profitably, are likely to counsel a degree of prudence which was unnecessary in the day of the Brussels boom.

Meanwhile industrial property development has been carried out largely in the hands of Dutch, British and American concerns, and has been geared towards the network of Belgian road and canal communications. Within the Brussels area the land around Diegem, Zaventem and Nossesgem, with the main airport close at hand, has been a focal point of expansion. It is estimated that over three some 98,000 square metres has been put on the market with some 37,000 still awaiting tenants though most of this is relatively recently completed plant.

Apart from the airport area, other parts of greater Brussels in demand are at the start of the motorway to Paris and in the Grand Bigard area which is in the north of the city. The threat hanging over companies in Dutch-speaking parts of Belgium, where the Flemish authorities could insist on all internal company communications taking place in Dutch, has also tended to emphasise the attractions of the (at least officially) bi-lingual communes of Brussels.

The economic recession has taken its toll of the industrial property scene, and this is being felt in the demand for smaller space, though it is also noted that companies which kept their administration in Brussels and their plant outside the city have started to examine the possibilities of moving their office administration back over

Frontage

The development at 326-324 Kalverstraat is at the Munt Tower end of the street and has a frontage onto the Singel so it will be very easy to split into two for letting purposes if a single tenant cannot be found.

Belgium

Uncertain times

THE BELGIAN property market has recovered a little of its buoyancy with the passing of the depth of the economic recession — or at least the latest phase of it — but no-one in the industry is pretending that stability is likely to return to the market much before the end of the decade.

While the prime pieces of real estate along the Avenue des Arts have continued to move — rents of £13.000 per square metre are being achieved — elsewhere in Brussels activity is sporadic and tentative. In the peripheral areas rents have tended to fall while the inauguration of the first stage of the new Metro may serve to heighten the differences in transport facilities between parts of Brussels. In particular, there is some speculation that the Avenue Louise, which has suffered from a relative transport deficiency as well as increasingly tight controls on development, may suffer more for being well off the course of the early Metro network.

The Brussels property formula essentially revolves around three factors — the demands of the national Government, of the EEC institutions and of business. In the business sector bank demand has been encouraging but the EEC and Government demand has been very light, and the industry is reduced to pinning its hopes on the natural propensity of the civil service to expand.

The tortuous story of the agglomeration tax — the tax on buildings based on their ratio between volume and plot size, and levied at some BF.350 per square metre — has moved forward slowly. The first demands for payment have been presented but it is understood that there are a lot of appeals against the assessment and it may be some time before companies have to get around finally to writing cheques.

Interest

The investment picture has also been unexciting. It is thought that there will be no major investments made until rents move up again to make investment cost-efficient. The current freeze on rents is due to end at the end of December but already there are believed to be plans by the Government to control the amount by which rents can be pushed up, possibly to be followed by another freeze.

There is some institutional

interest in buying leased buildings but investors are worried about taking buildings let to a single tenant, particularly if a break in the lease is imminent (in Belgium leases are normally for three, six and nine years).

What does seem to be likely for the next phase of growth—although critics could well argue that it would be beyond the wit of demand to devise a less orderly process. The increasing control on planning being exercised in Brussels, however haphazard and however subject to the whims of various communal authorities, together with the greater difficulty in raising money and operating profitably, are likely to counsel a degree of prudence which was unnecessary in the day of the Brussels boom.

Meanwhile industrial property development has been carried out largely in the hands of Dutch, British and American concerns, and has been geared towards the network of Belgian road and canal communications. Within the Brussels area the land around Diegem, Zaventem and Nossesgem, with the main airport close at hand, has been a focal point of expansion. It is estimated that over three some 98,000 square metres has been put on the market with some 37,000 still awaiting tenants though most of this is relatively recently completed plant.

Apart from the airport area, other parts of greater Brussels in demand are at the start of the motorway to Paris and in the Grand Bigard area which is in the north of the city. The threat hanging over companies in Dutch-speaking parts of Belgium, where the Flemish authorities could insist on all internal company communications taking place in Dutch, has also tended to emphasise the attractions of the (at least officially) bi-lingual communes of Brussels.

The economic recession has taken its toll of the industrial property scene, and this is being felt in the demand for smaller space, though it is also noted that companies which kept their administration in Brussels and their plant outside the city have started to examine the possibilities of moving their office administration back over

Frontage

The development at 326-324 Kalverstraat is at the Munt Tower end of the street and has a frontage onto the Singel so it will be very easy to split into two for letting purposes if a single tenant cannot be found.

Belgium

Uncertain times

THE BELGIAN property market has recovered a little of its buoyancy with the passing of the depth of the economic recession — or at least the latest phase of it — but no-one in the industry is pretending that stability is likely to return to the market much before the end of the decade.

STOCK EXCHANGE REPORT

Subdued day in stock markets as sterling falters

Share index down 1.2 at 302.4 Hawker Siddeley please

Account Dealing Dates

Option

First Declared Last Account

Dealings Dealing Day

Oct. 18 Oct. 19 Oct. 20

Nov. 9 Nov. 10 Nov. 11

Nov. 22 Nov. 23 Nov. 24

Nov. 29 Nov. 30 Dec. 1

Dec. 6 Dec. 7 Dec. 8

Dec. 13 Dec. 14 Dec. 15

Dec. 20 Dec. 21 Dec. 22

Dec. 27 Dec. 28 Dec. 29

Dec. 30 Jan. 1 Jan. 2

Jan. 7 Jan. 8 Jan. 9

Jan. 14 Jan. 15 Jan. 16

Jan. 21 Jan. 22 Jan. 23

Jan. 28 Jan. 29 Jan. 30

Feb. 4 Feb. 5 Feb. 6

Feb. 11 Feb. 12 Feb. 13

Feb. 18 Feb. 19 Feb. 20

Feb. 25 Feb. 26 Feb. 27

Feb. 28 Mar. 1 Mar. 2

Mar. 7 Mar. 8 Mar. 9

Mar. 14 Mar. 15 Mar. 16

Mar. 21 Mar. 22 Mar. 23

Mar. 28 Mar. 29 Mar. 30

Apr. 4 Apr. 5 Apr. 6

Apr. 11 Apr. 12 Apr. 13

Apr. 18 Apr. 19 Apr. 20

Apr. 25 Apr. 26 Apr. 27

Apr. 28 May 1 May 2

May 7 May 8 May 9

May 14 May 15 May 16

May 21 May 22 May 23

May 28 May 29 May 30

Jun. 4 Jun. 5 Jun. 6

Jun. 11 Jun. 12 Jun. 13

Jun. 18 Jun. 19 Jun. 20

Jun. 25 Jun. 26 Jun. 27

Jun. 28 Jun. 29 Jun. 30

Jul. 4 Jul. 5 Jul. 6

Jul. 11 Jul. 12 Jul. 13

Jul. 18 Jul. 19 Jul. 20

Jul. 25 Jul. 26 Jul. 27

Jul. 28 Jul. 29 Jul. 30

Aug. 4 Aug. 5 Aug. 6

Aug. 11 Aug. 12 Aug. 13

Aug. 18 Aug. 19 Aug. 20

Aug. 25 Aug. 26 Aug. 27

Aug. 28 Aug. 29 Aug. 30

Sep. 4 Sep. 5 Sep. 6

Sep. 11 Sep. 12 Sep. 13

Sep. 18 Sep. 19 Sep. 20

Sep. 25 Sep. 26 Sep. 27

Sep. 28 Sep. 29 Sep. 30

Oct. 4 Oct. 5 Oct. 6

Oct. 11 Oct. 12 Oct. 13

Oct. 18 Oct. 19 Oct. 20

Oct. 25 Oct. 26 Oct. 27

Oct. 28 Oct. 29 Oct. 30

Nov. 4 Nov. 5 Nov. 6

Nov. 11 Nov. 12 Nov. 13

Nov. 18 Nov. 19 Nov. 20

Nov. 25 Nov. 26 Nov. 27

Nov. 28 Nov. 29 Nov. 30

Dec. 4 Dec. 5 Dec. 6

Dec. 11 Dec. 12 Dec. 13

Dec. 18 Dec. 19 Dec. 20

Dec. 25 Dec. 26 Dec. 27

Dec. 28 Dec. 29 Dec. 30

Jan. 4 Jan. 5 Jan. 6

Jan. 11 Jan. 12 Jan. 13

Jan. 18 Jan. 19 Jan. 20

Jan. 25 Jan. 26 Jan. 27

Jan. 28 Jan. 29 Jan. 30

Feb. 4 Feb. 5 Feb. 6

Feb. 11 Feb. 12 Feb. 13

Feb. 18 Feb. 19 Feb. 20

Feb. 25 Feb. 26 Feb. 27

Feb. 28 Feb. 29 Feb. 30

Mar. 4 Mar. 5 Mar. 6

Mar. 11 Mar. 12 Mar. 13

Mar. 18 Mar. 19 Mar. 20

Mar. 25 Mar. 26 Mar. 27

Mar. 28 Mar. 29 Mar. 30

Apr. 4 Apr. 5 Apr. 6

Apr. 11 Apr. 12 Apr. 13

Apr. 18 Apr. 19 Apr. 20

Apr. 25 Apr. 26 Apr. 27

Apr. 28 Apr. 29 Apr. 30

May 4 May 5 May 6

May 11 May 12 May 13

May 18 May 19 May 20

May 25 May 26 May 27

May 28 May 29 May 30

Jun. 4 Jun. 5 Jun. 6

Jun. 11 Jun. 12 Jun. 13

Jun. 18 Jun. 19 Jun. 20

Jun. 25 Jun. 26 Jun. 27

Jun. 28 Jun. 29 Jun. 30

disappointing day: prospects over-

night had looked extremely en-

couraging with dealers anticipat-

ing demand for both the short and

long "Taps." In the event,

neither were really operative,

although a fringe business may

have been done. Consequently,

after looking firm initially, the

longs remained at overnight list

levels, while some shorter issues,

usually 1980/81 dates, receded

modestly. Neatly shorts often

improved, generally by the

fall to 141 per cent. in the Local

Authority yearling rate was a

useful background factor.

A moderate two-way trade was

insufficient to arrest the current

downward drift in the investment

currency premium and the

closing rate was 11 points lower

at 116 per cent. after 1131 per

cent. Yesterday's NE conversion

factor was 0.7310 (0.7254).

Conditions remained extremely

thin in the big four banks which

with the exception of National

Westminster, 3 easier at 190,

managed to take Monday's tech-

nical rise in a small stage further

Lloyds added 2 at 180 and 4

Midland to 230. Overseas issues

remained mixed. Hong Kong and

Shanghai at 35p, lost 8 of the

previous day's gain of 9 and Bank

of New South Wales fell 10 to

40p. Discounts failed to make

much of an impression with

Smiths at 40p, a penny cheaper

at 44p in front of 10-day's inter-

ests. Alexander's, however,

rose 5 to 130p and Gerard and

National hardened 3 at 88p. Bill

Samuel was vamped at 61p, up

from 60p. BHP Industries, where

Hambros gained 3 to 115p, LTD

lost the turn to 13p in HIRE

Purchases.

Insurances closed firm in

prices, but the volume of busi-

ness was small. Phoenix fared

best at 160p, up 10, while Sea

Alliance was 8 higher at 310p

and General Accident 4 better

at 152p. Sun Life hardened a

penny to 52p in front of today's

preliminary results. Brokers were

more irregular and had C. T.

Bowling 3 easier at 53p and

Chemicals, Fisons moved up 5

to 383p and Allied Colloids

gained 9 to 111p.

A reported denial of a bid by

Northern Foods for Tollymore

and Cobbold Breweries failed to

quell speculative interest in the

latter, which improved afresh by

a penny to 52p in front of today's

preliminary results. Brokers were

more irregular and had C. T.

Bowling 3 easier at 53p and

Chemicals, Fisons moved up 5

to 383p and Allied Colloids

gained 9 to 111p.

A reported denial of a bid by

Northern Foods for Tollymore

and Cobbold Breweries failed to

quell speculative interest in the

latter, which improved afresh by

a penny to 52p in front of today's

preliminary results. Brokers were

more irregular and had C. T.

Bowling 3 easier at 53p and

Chemicals, Fisons moved up 5

to 383p and Allied Colloids

gained 9 to 111p.

A reported denial of a bid by

Northern Foods for Tollymore

and Cobbold Breweries failed to

quell speculative interest in the

latter, which improved afresh by

a penny to 52p in front of today's

preliminary results. Brokers were

more irregular and had C. T.

Bowling 3 easier at 53p and

Chemicals, Fisons moved up 5

to 383p and Allied Colloids

gained 9 to 111p.

A reported denial of a bid by

penny to 52p in front of today's

preliminary results. Brokers were

more irregular and had C. T.

Bowling 3 easier at 53p and

Chemicals, Fisons moved up 5

to 383p and Allied Colloids

gained 9 to 111p.

A reported denial of a bid by

Northern Foods for Tollymore

and Cobbold Breweries failed to

quell speculative interest in the

latter, which improved afresh by

a penny to 52p in front of today's

preliminary results. Brokers were

more irregular and had C. T.

Bowling 3 easier at 53p and

Chemicals, Fisons moved up 5

to 383p and Allied Colloids

gained 9 to 111p.

A reported denial of a bid by

Northern Foods for Tollymore

and Cobbold Breweries failed to

quell speculative interest in the

latter, which improved afresh by

a penny to 52p in front of today's

preliminary results. Brokers were

more irregular and had C. T.

Bowling 3 easier at 53p and

Chemicals, Fisons moved up 5

to 383p and Allied Colloids

gained 9 to 111p.

A reported denial of a bid by

Northern Foods for Tollymore

and Cobbold Breweries failed to

quell speculative interest in the

latter, which improved afresh by

a penny to 52p in front of today's

preliminary results. Brokers were

more irregular and had C. T.

Bowling 3 easier at 53p and

Chemicals, Fisons moved up 5

to 383p and Allied Colloids

gained 9 to 111p.

A reported denial of a bid by

Northern Foods for Tollymore

and Cobbold Breweries failed to

quell speculative interest in the

latter, which improved afresh by

a penny to 52p in front of today's

preliminary results. Brokers were

more irregular and had C. T.

Bowling 3 easier at 53p and

Chemicals, Fisons moved up 5

to 383p and Allied Colloids

gained 9 to 111p.

A reported denial of a bid by

Northern Foods for Tollymore

and Cobbold Breweries failed to

quell speculative interest in the

latter, which improved afresh by

a penny to 52p in front of today's

preliminary results. Brokers were

more irregular and had C. T.

Bowling 3 easier at 53p and

Chemicals, Fisons moved up 5

to 383p and Allied Colloids

gained 9 to 111p.

A reported denial of a bid by

Northern Foods for Tollymore

and Cobbold Breweries failed to

quell speculative interest in the

latter, which improved afresh by

a penny to 52p in front of today's

preliminary results. Brokers were

more irregular and had C. T.

Bowling 3 easier at 53p and

Chemicals, Fisons moved up 5

to 383p and Allied Colloids

gained 9 to 111p.

A reported denial of a bid by

Northern Foods for Tollymore

and Cobbold Breweries failed to

quell speculative interest in the

latter, which improved afresh by

a penny to 52p in front of today's

preliminary results. Brokers were

more irregular and had C. T.

Bowling 3 easier at 53p and

Chemicals, Fisons moved up 5

to 383p and Allied Colloids

gained 9 to

4

| | | | | | | | | | |
|--|---|---|--|---|---|---|--|---|---|
| Unit Mgmt. Co. Ltd. 01-23-0001 Capital 100.00 Income 1.00 Dividend 1.00 Net Asset 100.00 Price Oct. 12, 1962 100.00 | Bridge Fund Managers (a/c) 01-23-0002 Capital 100.00 Income 1.00 Dividend 1.00 Net Asset 100.00 Price Oct. 12, 1962 100.00 | The British Life Office Ltd. (a) 01-23-0003 Capital 100.00 Income 1.00 Dividend 1.00 Net Asset 100.00 Price Oct. 12, 1962 100.00 | G.T. Unit Managers Ltd. 01-23-0004 Capital 100.00 Income 1.00 Dividend 1.00 Net Asset 100.00 Price Oct. 12, 1962 100.00 | Kilworth Boston Unit Manager 01-23-0005 Capital 100.00 Income 1.00 Dividend 1.00 Net Asset 100.00 Price Oct. 12, 1962 100.00 | Mercury Fund Managers Ltd. 01-23-0006 Capital 100.00 Income 1.00 Dividend 1.00 Net Asset 100.00 Price Oct. 12, 1962 100.00 | Piccadilly Unit Tr. Mgrs. Ltd. (a/b) 01-23-0007 Capital 100.00 Income 1.00 Dividend 1.00 Net Asset 100.00 Price Oct. 12, 1962 100.00 | J. Henry Schroder Wagg & Co. Ltd. 01-23-0008 Capital 100.00 Income 1.00 Dividend 1.00 Net Asset 100.00 Price Oct. 12, 1962 100.00 | Target Unit Mgrs. (Scotland) (a/b) 01-23-0009 Capital 100.00 Income 1.00 Dividend 1.00 Net Asset 100.00 Price Oct. 12, 1962 100.00 | Trades Union Unit Tr. Managers 01-23-0010 Capital 100.00 Income 1.00 Dividend 1.00 Net Asset 100.00 Price Oct. 12, 1962 100.00 |
|--|---|---|--|---|---|---|--|---|---|

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

Some of the share prices previously shown under regional headings now show with quotations on London. Irish issues, most of which are not listed in London, are shown separately and with prices as on the Irish stock exchange.

[illegible]

COMPANY NOTICES

CE TO HOLDERS OF BEARER DEPOSITARY RECEIPTS
Issued in respect of shares of
OLYMPUS OPTICAL COMPANY LTD.

WARBURG & CO. LTD., as Depository Banker and Registrar,
directors at a meeting held on 26th November, 1976 to be issued as
3,800,000 new shares of £1 each from 1st November, 1976 to be issued as
1,000 shares of Yns BG each are to be offered by way of Public
in Japan at a price to be determined later. There will be no
£200 fully paid up shares of Yns BG each are to be allocated by way of
proportionate allocation on S.G. warrants to the Company's
(Ynos Times) on 30th October, 1978 in the ratio of 1 new share for
every 10 existing shares. The proceeds shall follow the procedure laid
shareholders is proportionate to their entitlement.
new shares to be issued will be entitled to any dividend that may be
paid during the period ending 31st December 1977.
of New Senior Depositary Receipts may now present Coupons No. 10 at
the same time as they wish to exchange them against the undermentioned
shares, from which listing forms may be obtained.
listing Receipts shall be liable for exchange into New Senior Depositary
January, 1978.

S. G. Warburg & Co. Ltd.,
Coupons Department,
P.O. Box 100,
Goldsmith Street,
London, EC3A 3DP.

Morris:

The Bank of Tokyo Ltd., Brussels, Belgium
The Bank of Tokyo Ltd., Düsseldorf, Germany
The Bank of Tokyo Ltd., Paris, France
The Bank of Tokyo Ltd., Amsterdam, Netherlands
The Bank of Tokyo Ltd., New York, U.S.A.
Agency Bank Nederland N.V., Amsterdam, Netherlands
Société Générale de Luxembourg, Luxembourg

S. C. WARBURG & CO. LTD.
Directors,

on 1978 as Secretary.

PUBLIC NOTICES

[illegible]

LONDON HOUSES AND FLATS

LONDON HOUSES AND FLATS

SPACIOUS PENTHOUSE in London, St. James's, superb position overlooking the river. Three bedrooms with bathrooms. Two large roof garden with lawn, swimming pool, tennis, tennis court, long or short let. Daily maid and room service included. Don 7-4000. See also ECAP 487.

Flat 10 Cannon Street, EC4A 3BY.

APPOINTMENTS

APPOINTMENTS

The following appointments have been made by the Board of Directors:

Chairman: share certificate received from \$40.00 (\$25.00) and \$15.00.

Treasurer:

Secretary: share certificate received from \$40.00 (\$25.00) and \$15.00.

Committee: share certificate received from \$40.00 (\$25.00) and \$15.00.

By Order of the Board:

S. K. L. Secretary.

1978.

COMMUNITY ACCOUNTANT

Qual., or unqual., responsible for monthly - management and partly financial accounts, to report to Group Financial Controller. Terminal market experience and up to 10-15 years. Salary negotiable. Apply: Mr. G. Wainwright, Personnel Department, c/o Newport Street, London, W.C.2. 01-836 2377.

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

NOTES

[illegible]

DAIWA SECURITIES

MINES-Continued

FAR WEST RAND

High Low Price Div Yld

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

INDIA AND BANGLADESH

AFRICA

MINES

CENTRAL RAND

EASTERN RAND

NOTES

RECENT ISSUES

RIGHTS

FINANCIAL TIMES

WEDNESDAY OCTOBER 20 1976

LONDON

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

STOCK EXCHANGES

UNITED KINGDOM

Japan facing tough line on shipbuilding

BY JOHN WYLES, SHIPPING CORRESPONDENT

EEC MEMBER countries are expected to put strong pressure on the Japanese Government, next week, to modify policies which they see as a grave threat to the future of European shipbuilding industries.

Some of the strongest diplomatic language yet used on the shipbuilding issue is being prepared for delivery at an Organisation for Economic Co-operation and Development meeting in Paris next Wednesday and Thursday.

The meeting has taken on a special significance, following the failure of talks last month between West European and Japanese shipbuilders. During discussions lasting two days, the Japanese refused to give ground either on the need for a permanent reduction of shipbuilding capacity in Japan or on a revised pricing policy.

After consultations, EEC governments have now agreed that at next week's OECD working party on shipbuilding policy, Japan should be told bluntly that its shipbuilding policies do not recognise the interests of the developing world and risk provoking protective measures by European countries.

Concert has been growing in Europe at the implications of the shipbuilding plan endorsed by the Japanese Government in June. Based on the world-wide consensus that demand for ships will only be around 13m. gross tons in 1980-82 per cent less than in 1974—the plan provides for a 65 per cent cut in man hours in the Japanese shipbuilding industry and a level of output based on at least a 50 per cent share of the world market.

There is no plan to shut permanently any shipyard.

Although Japan has consistently taken a 50 per cent share of the market in recent years, EEC members believe that this cannot be maintained in a world where developing countries such as Brazil, India and South Korea, will be seeking to build between 2m. and 4m. g.t.

In these circumstances, the main European shipbuilders such as Britain, France and West Germany would either have to accept the contraction of their industries by at least 75 per cent, or be forced into protectionist measures, whose damaging effects would probably spill over into international shipping.

The Japanese are bound to take the EEC's strong line seriously, since it is clear that a number of member Governments are now under strong pressure from their domestic shipbuilding industries to do something to stop Japan controlling world shipbuilding.

On present trends, Japan may well book much more than half of the scarce orders placed this year. The Japanese say it is not their fault if European shipbuilders cannot compete on prices, but the Europeans are convinced that many orders are now being booked at a paper loss.

Of the Europeans, Britain's order record is the best so far this year, but is still less than half the amount required to keep the industry working at present levels.

Ford trying to avoid lay-offs at Dagenham

BY ALAN PIKE, LABOUR STAFF

THE DAY SHIFT at Ford's Dagenham plant has been told to report again this morning although work in the body shop at Dagenham will follow the dismissal of ten striking doorsetters.

Seven of the men, dismissed on Monday after they refused to end a strike in support of a colleague sacked for allegedly taking part in violent incidents at the plant last month, arrived for work yesterday. They remained in the factory talking to other workers for much of the day, and Ford did not attempt to transfer new men to the doorsetting section.

The company says, however, that there are plenty of volunteers who would be prepared to take on the dismissed men's work.

Ford management clearly believes that there is considerable sympathy among the bulk of the workforce for its action against the doorsetters, well-known as a militant group. This is reflected in the company's efforts to avoid lay-offs although there is little work for employees in the body shop to do.

This is not the first time the American-owned company has taken a firm stand against workers regarded as disruptive. In 1962 it took similar action which resulted in 17 men being sacked.

The company believes there is likely to be increasing moderate reaction against small groups of unofficial strikers who can be responsible for widespread lay-offs and loss of pay. Shop stewards,

however, see the dismissal of the doorsetters as an attack on the entire workforce.

There were discussions on the problem at Dagenham when the company and unions met in London yesterday for resumed talks on a new pay agreement for 54,000 manual workers, but they made little progress.

Union officials suggested that the doorhanger whose dismissal led to the troubles should be reinstated pending arbitration, but this was rejected by the company.

Four disputes

There have been four separate disputes at Dagenham—two involving the doorhangers—since the new Cortina was officially launched at the end of last month.

Mr. Terry Beckett, managing director of Ford, said at the Motor Show yesterday that a way must be found to enable work to continue while grievances were solved. "It is madness that 12 men can stop 12,000 from doing their jobs," he said.

At yesterday's pay talks, the company conceded that hourly-paid men who were prevented from working a full 40-hour week through illness would be guaranteed the £2.50 minimum pay increase a week under the incomes policy. But agreement has not yet been reached on a claim that workers on short time should also receive the full £2.50, an important point of principle to the Confederation of Shipbuilding and Engineering Unions.

Cunard to complete MFC deal this week

BY JOHN WYLES, SHIPPING CORRESPONDENT

CUNARD STEAMSHIP yesterday cleared the way for completion within the next two days of its deal with Maritime Fruit Carriers. But in order to push the agreement through it is having to settle for only ten of the 12 ships bid for at a cost of \$102m.

This is because two of the refrigerated cargo ships were sold by Maritime's creditors. An attempt to prevent this took place in court last week, but with Court of Appeal proceedings threatening to drag on, Cunard yesterday encouraged an out of court settlement which should enable it to acquire the ten ships by the week-end.

Cunard's decision to settle out of court may well have been influenced by a cash offer for the 12 ships made last week by two German shipping companies, Willy, Bruns and Rudolf Oetker, which was at least \$2m. better than its own. This raised the prospect that some creditor banks might be tempted to make sales which would further reduce the number of ships available.

Willy Bruns of Hamburg was at the centre of the High Court case as the purchaser of the two ships, London Clipper and Maranza. Under the terms of yesterday's agreement, Cunard will complete arrangements with creditor banks to buy all 12 and then sell the two vessels on to

Brun for \$16.45m. on Friday. This enables Cunard to take advantage of the \$3m. equity attached to the London Clipper.

According to Mr. Victor Matthews, chairman of Cunard, the loss of the two ships was a disappointment, but a fleet of 10 would still make Cunard "a substantial force in the reefer (refrigerated fruit) trade".

The ships have been chartered to Sweden's Salen group, which previously operated them before Maritime lost control to its creditors.

Mr. Matthews predicted that they would about break even for the first two years of operation, but after that "we shall start to make substantial profits".

Cunard, a subsidiary of Trafalgar House Investments, is paying in cash for about 30 per cent of the deal, the rest being borrowed. Final arrangements with creditors are expected to be made at meetings in Glasgow, tomorrow and on Friday.

It is unlikely that the sale will have much impact on Maritime's cash position. After settling with leading creditors, Cunard is placed in a undisclosed amount in an escrow account to meet un-revealed trade debts. This will tie up any surplus for at least three years by which time Maritime's capacity to deal with its other pressing financial problems should have become clear.

Slip in pound depresses gilt-edged market

BY MICHAEL BLANDEN

THE POUND slipped in foreign exchange markets yesterday and helped to depress trading in the gilt-edged market.

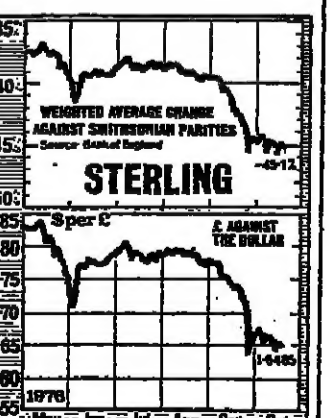
As a result market hopes of further significant sales of Government stocks to help finance the borrowing requirement on the last effective day of the October banking month were disappointed.

Nevertheless, the success of the authorities in selling gilt-edged stocks in recent weeks means that the money stock figures for the five-week period ending with today's make-up of the banking statistics should show a substantial improvement.

Excessive growth of money supply in the period to mid-September was the direct reason for the emergency measures by the authorities this month, including the jump in the Bank of England minimum lending rate to 15 per cent.

In the three months to mid-September money stock on the wider definition was growing at well over double the target rate of 12 per cent a year. Since then the authorities have achieved gross sales of perhaps £1.5bn. of gilt-edged stocks, which with the £350m. of special deposits paid in by the banks have substantially reduced the upward pressures on money supply.

The market reported that there was little further sale yesterday of the two official tap stocks. But if conditions are favourable it would not be surprising if at least the short tap, of which it is thought there is only some



£125m. to £150m. left, ran out later this week.

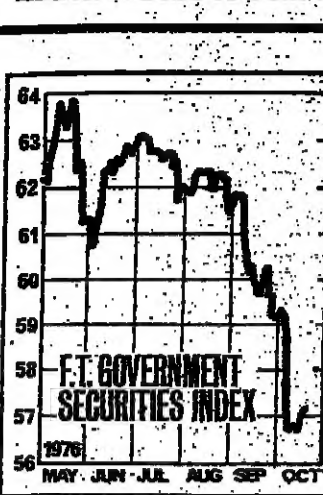
Decline in sterling affected the market. This reflected partly a renewed strengthening of the West German D-mark following the week-end revaluation. With no indication of significant support from the authorities, sterling ended the day in London with a fall of 65 points at \$1.6485.

At the same time the recent gilt-edged sales again contributed a shortage of funds in the money market. This pushed short-term rates up to levels which will bring strong pressure on three big London clearing banks, Lloyds, Midland and National Westminster. These are still maintaining their base lending rates at only 13 per cent

THE LEX COLUMN

Hawker profits still flying

Index fell 1.2 to 302.4



Barring a change of Government or any last minute twists in the House of Lords, Hawker Siddeley's U.K. aerospace interests now seem almost certain to be nationalised by the year-end. But whereas three years ago this would have meant the loss of half group profits, the contribution is now down to a fifth (after deducting special items) and, aside from the emotional aspect, the disappearance of the aerospace side is unlikely to cause more than a temporary hiccup in earnings growth in 1977, it that.

Yesterday's impressive jump in interim attributable profits (71 per cent ahead at £22.2m.) underlines the marked change in Hawker's circumstances over the last few years. Stripping out the release of a special tax provision, aerospace profits are virtually unchanged over the six-month period. In sterling terms, the Canadian operation is 16 per cent ahead, at the attributable level, but in dollar terms profits are down. So the real powerhouse behind the group's performance now is electrical and mechanical engineering—currently accounting for almost three-quarters of total profits.

With a third of sales generated by overseas companies and U.K. exports accounting for another third, the fall in the sterling exchange rate has clearly contributed to the polished performance, though apart from indicating that the substantial exchange gains on overseas net assets will be brought in as an extraordinary item at the year end, Hawker is not saying how much.

Attributable profits of £42m. £45m. against £30m. last year look on the cards for the full year. But the combination of a relatively low prospective yield of 6 per cent, and uncertainty over the nationalisation compensation terms is likely to keep the shares in the short term, despite the 20p jump in the share price to 372p, yesterday.

UDS

As well as the expected sharp setback on the men's tailoring side—where trading profits have fallen by £2.3m. to £0.9m.—the first-half results from UDS are also affected by a total turnaround in the deferred profit provision of £1.45m. The large deduction of £0.82m. for the first half of 1976, charge could hope to realise in

February-July, against a claw-back of £0.63m. in the same period last year, reflects relaxations in HF controls on durables together with changes in the mix of HF and voucher credit. For the rest of the group the decline in profits is relatively modest at about £0.7m. pre-tax. But the overall result is that pre-tax profits have dropped from £8.58m. to £3.7m. pre-tax, perhaps a little worse than the lowest outside expectation. The shares dropped 4p to 45p, where they may gain some comfort from the holding of the interim dividend; the yield of 17.2 per cent, however, is an indication that the chances of a maintained total are not rated very highly.

In fact UDS should now be past the worst. After a drop in tailoring sales of some 15 per cent in the first half, the last few weeks have seen a pickup, while after the closure of a South Shields plant the group will have cut its tailoring factories from seven to four. The deferred profit swing will also be less adverse in the current half-year. Moreover, group sales have been growing at 12.1 per cent in the first two weeks of the second half against only 8 per cent in the first six months. But in the context of generally weak consumer spending trends the best hope is only that UDS will be able to recover part of the £5.3m. first-half pre-tax shortfall by the year-end. And the tailoring division may require exceptional provisions.

Furness Withy

Furness Withy's profits for something about the 1976 charge could hope to realise in

at £11.4m. pre-tax, £9.9m. The Manchester subsidiary was already modestly lower. P & O's recent figures be no surprise in the performance from the where OCL dominates overall result — a fall from ship sales down and a pre-interest trading up from £9.2m. — was well above market expectations as a result the shares fell 7p yesterday to 161.

The bulk of the money but Furness happier now about a once-trade. The new sterling has clearly favourable performance rates are improving a tonnage is no longer problem; the market sold last year closed close on £2m. in 1975 of that occurred in opening six months of Liners was strike-free last year, contracts are still edging up. Furness activities in 1976 are proving profitable. Group profit could well push up pre-tax from £14.1m. to £15.5m. per share of around 10p. Yesterday's rally in the shares are now on the edge of a market after a shake-out of recent weeks. Dividend by 10p to 25p per share, a 25 per cent rise, a move to a fairly long operation and a 7m. prospective yield is 7.

Town and City

Following the £25m. posals in Rotterdam last week, Town and City has turned its back on its next major property sales. And setting point about its disposal for £29m. of a generally weak consumer spending trends the best hope is only that UDS will be able to recover part of the £5.3m. first-half pre-tax shortfall by the year-end. And the tailoring division may require exceptional provisions.

Chrysler may build Japanese car in U.K.

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE PRESIDENT of Chrysler Corporation in the U.S., Mr. Eugene Cafero, said yesterday that Japanese Mitsubishi cars might be assembled by Chrysler U.K. at some time in the future. His remarks, on the eve of the London Motor Show, indicate that Chrysler and Mitsubishi Motor—in which the U.S. company has a 15 per cent stake—are collaborating closely on their future automotive and technological developments.

It has been known for some time that the two companies have been exchanging information on issues like exhaust emission control and manufacturing techniques. Mitsubishi teams have visited Europe in the past, and Mr. Don Landis, the head of Chrysler Europe, and until recently managing director of the U.K. company, has recently been in Japan.

But Mr. Cafero's remarks yesterday, although quite circumstantial, suggest that the relationship is being carried a step further.

Commenting on persistent reports that the Japanese company is planning to look at Chrysler's European manufacturing facilities, he said he could not rule out the possibility of manufacturing Mitsubishi cars at some stage. "One needs to maintain a great deal of flexibility in the world today."

Behind Mr. Cafero's comments yesterday lies a radical change in the design and development methods in Chrysler. Like the larger American motor companies, General Motors and Ford, it is now integrating the planning of its cars in both Europe and the U.S.—its new small car due in America next year was planned in Europe.

At the same time Chrysler is paying close attention to the manufacturing methods used in Japan, where it believes that car companies achieve better productivity; and if one of the Japanese designs appeared, it might want to use it in Europe as well.

Although the U.K. company insists that it has no plans to use a Mitsubishi vehicle over the next five to ten years, there is a possibility that this could happen as the world-wide operations draw closer together.

In the meantime, Chrysler made it clear yesterday that Mitsubishi, which makes the Golf range of cars, is maintaining its own distribution system in Europe, the idea that Chrysler might sell the Japanese cars through its own franchise having been abandoned about two years ago.

Ireland blocks EEC fish talks

By Robin Reeves

LUXEMBOURG, Oct. 19. IRELAND carried out her threat yesterday to block Common Market fishery negotiations until the European Community accepts her demand for an exclusive national offshore fishing limit of up to 50 miles as part of a revised common fisheries policy.

In doing so, Dr. Garrett Fitzgerald, the Irish Foreign Minister, torpedoed Britain's bid to secure EEC agreement over a 200-mile fishing limit from January 1, to be followed by negotiations between the Brussels Commission and Ireland and an extension of the agreement which ended the cod war with Britain.

A last-ditch effort will be made to break the deadlock at an informal meeting of the Nine Foreign Ministers at The Hague on January 29 or 30.

Should these talks fail, said Mr. Anthony Crosland, the Foreign Secretary, the Government would feel free to negotiate with Ireland bilaterally. The present arrangement expires in early December.

The stalemate came after hours of intensive private discussions among Ministers. This evidently found Dr. Fitzgerald totally isolated in his fight to secure a major shift in EEC thinking on the future of the fisheries policy.

Crosland's role

He questioned the whole legal foundation of the Commission's proposal for the revision of limits within the EEC after the planned move to 200-mile limits. These envisage exclusive national fishing bands of no more than 12 miles offshore, and sharing-out of the remaining fishing with 200-mile limits among the fishing fleets of the Nine on a quota basis.

"Perhaps after this meeting people will take the Irish position seriously, and come up with detailed and concrete proposals to meet it," he told journalists afterwards.

There was clearly a great deal of irritation among other Foreign Ministers at these blocking tactics, though some surprise was expressed at the absence of strong support from Mr. Crosland's 50-mile base.

"He is hiding behind Dr. Fitzgerald's skirts," said one diplomat.

Mr. Crosland described the outcome as "disappointing but not disastrous."

UN stamps on show

A DISPLAY of all United Nations postage stamps is on show at the National Postal Museum, London, until the end of November, to mark the 25th anniversary of U.N. issues.

The National Postal Museum, admission free, is at King Edward Building, King Edward Street, London.

Continued from Page 1

Japanese promise

main worries remain Japanese penetration of certain key areas.

● **ELECTRONICS AND CARS**—Imports into the U.K. remain the main worry, although it is argued that Japanese testing procedures make it difficult for reverse

Weather

RAIN AT TIMES

U.K. TO-DAY
London, E. Anglia, S.E., E., N.W., Cent. N. Ireland.
Rain at first, brighter later.
Wind variable. Max. 12C (54F).
Cent. S. England, Midlands, N. Wales.
Bright intervals and showers.
Wind W., light. Max. 13C (55F).

BUSINESS CENTRES

| City | Temp | City | Temp |
|--------------|------|-------------|------|
| Alexandria | 25 | Madrid | 15 |
| Amsterdam | 12 | Moscow | 10 |
| Antwerp | 10 | New York | 11 |
| Barcelona | 15 | Paris | 11 |
| Bombay | 28 | Stockholm | 10 |
| Buenos Aires | 18 | Switzerland | 10 |
| Calcutta | 28 | Toronto | 10 |
| Canton | 25 | Washington | 10 |
| Cebu | 28 | Winnipeg | 10 |
| Colon | 28 | Zurich | 10 |
| Hankow | 25 | | |
| Hong Kong | 25 | | |
| Kobe | 18 | | |
| London | 12 | | |
| Lyons | 12 | | |
| Manila | 28 | | |
| Medan | 28 | | |
| Shanghai | 25 | | |
| Singapore | 28 | | |
| Sourabaya | 28 | | |
| Tientsin | 25 | | |
| Yokohama | 25 | | |

Channel Is., S.W. England, S. Wales

Showers. Wind W., moderate. Max. 13C (55F).
Lakes, N.E. England, Borders, Edinburgh, S.W. Scotland, Glasgow, Cent. Highlands, Argyll.
Rain. Wind S.E., light. Max. 11C (52F).
Aberdeen, Moray Firth, N.E. and N.W. Scotland, Orkney, Shetland.
Rain in places. Wind S.E., light. Max. 10C (50F).
Outlook: Rain in most places. Lightning: London 18.27, Manchester 18.32, Glasgow 18.39, Belfast 18.45.

HOLIDAY RESORTS

| City | Temp | City | Temp |
|--------------|------|------------|------|
| Alicante | 25 | Jersey | 15 |
| Amers | 15 | Las Palmas | 25 |
| Barcelona | 15 | Locarno | 15 |
| Bombay | 28 | Madrid | 15 |
| Buenos Aires | 18 | Malta | 25 |
| Calcutta | 28 | Nairobi | 25 |
| Canton | 25 | Nice | 15 |
| Cebu | 28 | Osaka | 15 |
| Colon | 28 | Paris | 15 |
| Hankow | 25 | Stockholm | 10 |
| Hong Kong | 25 | Toronto | 10 |
| Kobe | 18 | Washington | 10 |
| London | 12 | Winnipeg | 10 |
| Lyons | 12 | Zurich | 10 |
| Manila | 28 | | |
| Medan | 28 | | |
| Shanghai | 25 | | |
| Singapore | 28 | | |
| Sourabaya | 28 | | |
| Tientsin | 25 | | |
| Yokohama | 25 | | |

This year, it'll pay you to hold your conference in the Caribbean

The Patio Caribe at the Skyline Hotel is more like the Caribbean than the Caribbean. There are lush tropical gardens. (Torch-lit at night.) A swimming pool and poolside bar. Even a Steel Band.

In fact, the only thing it lacks are tropical showers. (The whole of the Patio Caribe is under cover.)

Not only is the Skyline Hotel a different place to hold a conference, it's ideal. We have the most up to date conference facilities available. Just two minutes from London Airport.

You can actually drive vehicles into our main conference room. (All 434sq. metres of it. In square terms that's equivalent to 4,848sq. feet.) There are also 5 other rooms, perfect for smaller groups. Plus facilities for simultaneous translation and the latest in audio visual aids.

In all, we provide complete and comprehensive conference facilities for groups of up to 500.

Our hotel accommodation is just as impressive. We have 360 luxury bedrooms and suites. Each with its own colour TV, air conditioning, extra long bed, bathroom and shower en suite. (Not to mention our 24-hour room service.)

SKYLINE HOTEL LONDON

Bath Road, Harlington, Hayes, Middlesex. Tel: 01-759 2535.

Registered at the Post Office. Printed by G. Gifford & Sons Ltd. at the Post Office Press, London. Printed by the Financial Times Ltd. at the Post Office Press, London.

الكتاب المجلد

BUSINESS
Sterling
equity
and g
down

STERLING
equity
and g
down

STERLING
equity
and g
down

STERLING
equity
and g
down

STERLING
equity
and g
down

STERLING
equity
and g
down

STERLING
equity
and g
down

STERLING
equity
and g
down

STERLING
equity
and g
down